



Special Report

Top Eight Reasons Salespeople Are Ineffective

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Introduction

This special report is a summarization of eight key areas that impact sales productivity in organizations. My career has been spent working in these areas and helping sales teams improve their performance first as a manager and lately as a consultant. During that time I have been involved almost exclusively in managing and selling high-dollar value products into complex selling environments.

Over the years, the sales teams I've worked with have had various levels of skill and experience. In all cases, however, the resultant prescription for success (productivity improvement) required us to work together in the same eight areas. These areas make up the body of this report.

Much of what follows, you will notice, is common sense...exactly the common sense that senior management may ignore, overlook or forget. Ignoring, overlooking or forgetting to attend to just one of these areas shortchanges the potential of a company and, worse, can relegate a company to mediocrity. On the other hand, developing programs to manage these areas can provide a springboard for success in the sales organization and, of course, the company as a whole.

The eight areas are:

1. Profit improvement positioning: how a product or service improves customer's profit
2. Pipeline management: this important barometer demands management attention
3. Use of the telephone in the presale environment: the most "avoided" sales activity...yet it is one of the best sales tools
4. Qualification skills: mis-qualification wastes precious sales resources
5. Sell cycle management: keeping the prospect's buy cycle in step with your sell cycle
6. Demonstration skills: frequently less is more
7. Work plan: time management and activity metrics
8. Sales management: primary responsibility is to lead, recruit, retrain, teach, coach and motivate

In working with many companies, the Sales Productivity Institute LLC has developed and deployed systems to make improvements in these areas and we would be pleased to share them with you. It is through successfully tackling the issues contained in this report that companies can improve the productivity of their sales forces and, importantly, also the southeast corner of their income statements.

Top Eight Reasons Salespeople Are Ineffective

1. Profit improvement

- a. Salespeople frequently don't understand how their products are used or how they help customers increase profits (increase revenue, decrease expenses or improve customer service). This is the most common shortfall we've experienced in the information technology industry. Why is this true? Because it's difficult and time consuming to learn.
- b. Companies make large investments in product training. This is generally the first activity for new sales employees when they join a company (after all the HR paperwork is completed). Of course, it is important, but not nearly as important as knowing how their customers use these products to improve their operation (satisfy their needs) and, importantly, what this means in terms of specific improvements and savings (i.e., dollars, time, better customer service, etc.).
- c. In the sales profession, it is generally agreed that it is desirable to position oneself as a consultant. After all, companies use and trust consultants. It is difficult to be even a "little" consultative until a salesperson fully understands how customers realize improvements/benefits (e.g., removing an inefficiency, saving time in a process, automating a procedure, shortening lead times, providing better customer service, reducing inventory, reducing stock outs, reducing wait times, etc.).
- d. *Customer success stories* are more important than product training for new salespeople. This is true because good customer references represent *real* companies getting *real* benefits from the products they bought. They provide instant credibility. These stories are much more believable than any product "claim" made by a salesperson. *Yet, insufficient attention is given to the use of success stories.*
- e. Once you are able to talk to your prospect about profit-improvement (actually become consultative) a wonderful thing happens...there are many fewer questions about price, features, and overall capabilities.

2. Pipeline Management

- a. Salespeople are generally very poor at filling their pipeline and developing prospects on their own. They frequently don't have the self-discipline or management direction to commit to this important task.
- b. Successful companies are inclined to spend more money on demand creation and, therefore, generate more inbound leads. As a result,

salespeople learn to “rely” on this lead source and do not generate leads on their own. (See items #3 and 4 below.)

- c. In trying economic times, companies are forced to make cuts in operating expenses. Marketing budgets are frequently the first to be cut. When this happens, discretionary items (such as most demand creation programs) are the first to go. When this happens, salespeople are given fewer leads and, unfortunately, don't have the tools, experience or inclination to make up for the shortfall on their own.
- d. As a rule, salespeople haven't learned to generate prospects on their own. They have learned to give more attention is given to the end of the sell cycle (closing) than the beginning (prospect generation and nurturing).
- e. The automation systems that are designed to manage the quantity and quality of prospects (along with sales activities) are poorly installed, understood, used and managed.

3. Use of telephone in the presale environment

- a. Because of the high cost of making an in-person call, the telephone becomes an important (some would argue the most important) prospecting tool in the salesperson's arsenal. Most salespeople do not use the phone for this purpose very well. Fortunately, this is one area where immediate gains in effectiveness can be made.
- b. Phone prospecting activity is rarely included in a salesperson's position description or expectations, whether written or informal (e.g., where certain hours or days of every week are dedicated to phone prospecting).
- c. Since phone prospecting can be full of rejection and disappointment (experiences uncomfortable for all of us), it is postponed and often not performed.
- d. Phone prospecting skills are rarely, if ever, taught, practiced or reinforced. Therefore, when prospecting phone calls are made, they're quite ineffective, reinforcing the reluctance to use this method of prospect generation.
- e. *Rule: quantity precedes quality in phone prospecting (in truth, in all sales activity and learning).* In phone prospecting, as in all of the important skill-based sales activities, excellence can't occur until hundreds of “focused” calls have been made. Each completed call makes the next one better.
- f. Phone scripts are not refined and perfected. Major inefficiencies in industries and customer groups (which should be the primary focus of discovery sessions with prospects) if learned, are learned poorly (see item

#1 above); consequently, this fertile area of discovery is often not included in phone scripts.

4. Qualification skills

- a. The telephone is a great tool to qualify all prospects...including those that have made an inquiry into your company.
- b. All influential people in a prospect organization who are involved with the purchase of a product must be qualified and sold (users, financial, technical, authority, etc.). There are no short cuts. If one of the people is neglected, there might not be a chance to engage them later. It might be too late...you may have lost the sale. Failing to attend to one of these groups early in the process also runs the risk of alienating them and making it more difficult to build or repair the relationship.
- c. It is difficult to make a qualification decision if salespeople don't know how their product or service is used to help companies improve profits. Once this is mastered, in all meetings with prospects (on the phone and face to face), salespeople are more capable of discovering these fertile targets...the ones offering the highest potential of reward.
- d. Making sure the "inner circle's" needs are understood and met is critical to effective qualification.
- e. Have the funds been budgeted? This step is obvious, yet it is frequently by-passed or left unfinished.
- f. Salespeople frequently don't know where to look for or understand the items that will help cost-justify their offering.
- g. Other key areas to qualify with every prospect are: fit with your product or service, decision criteria, competition, and capital asset acquisition practices.

5. Sell cycle management

- a. Making sure your sell cycle is in line with the prospect's buy cycle is an area frequently overlooked. There are sales tools for this purpose that save time, investment and embarrassment.
- b. Knowing when to introduce the various selling resources (product experts, management, references, discovery and demonstration resources, etc.) is a skill that seems to elude many salespeople. Introducing these resources too early or too late is wasteful, can hurt management's confidence and is potentially fatal. Fortunately, there are several tools to assist salespeople in this area.

- c. In larger dollar value sales, salespeople are frequently “vectored” (surprised by an unforeseen event). Anticipating these events and planning what action to take when they occur can mean the difference between winning or losing a sale.
- d. Attempting to close before the prospect is ready to buy introduces unnecessary friction and risk into the selling situation. Knowing when to close is critical.

6. Demonstration skills

- a. Salespeople, and their product experts, may want to demonstrate *every* feature and capability of their product. This is a natural tendency. We recommend you demonstrate only the capabilities that are going to make your prospect’s operation more efficient. After all, that is all they care most about anyway, isn’t it? And, if you’re truly consultative, it should be all *you* care about as well.
- b. The sequence of events at a demonstration is important. For instance, before the demonstration, confirm the inefficiencies previously discovered (or the prospect revealed) about their operation. It is here the prospect will confirm or clarify the inefficiencies. Until this is done, it is not advisable to proceed to the product demonstration.
- c. Demonstrations should show exactly how inefficiencies will be removed, and nothing more. Doing more only opens up the possibility of problems.
- d. Demonstrating solutions to business problems positions you as a consultant (e.g., interested in helping them improve their processes, squeeze cost out of their operations or provide better service to their customers).
- e. Long demonstrations are not always necessary. Frequently, a short demonstration will prove you can do what you claimed in one or two areas. In this case, nothing more is necessary.
- f. Once credibility is established, the prospect will begin to believe in the product’s capabilities and won’t require a demonstration of all features and functions.

7. Work plan (time management and activity metrics)

- a. Salespeople may come to work each day, week, month, quarter and year without a plan. Newer salespeople have this problem because they don’t have a “vision” of (and haven’t been shown) what excellence looks like. Senior salespeople can have this problem if they have become “comfortable” or “lazy”. They start thinking they’ve “arrived”, a sure sign of trouble.

- b. How does it happen that a salesperson will have an outstanding month/quarter/year and then, in the next measurement period, perform poorly? Mostly, it is because he or she was working on closing qualified prospects and neglecting the front of the sales cycle.
- c. The time salespeople should be worrying about how many prospects they have in the middle and top of the pipeline is just before they are about to close 200%-300% of their quota. Once these prospects become customers, whom will they work on? This is especially true if there are long sales cycles involved.
- d. Salespeople are asked to prospect, conduct surveys, attend meetings, give demonstrations, write proposals, travel, work seminars and trade shows, close, follow up, insure successful installation, etc. Which of these activities do you suppose is postponed most often? Prospecting!! Why? Because it's where all the uncomfortable, hard work is done. It is easier to find something "more pressing" that takes precedence. Prospecting is the area that requires the most dedication and discipline because, if given the choice, it is always the area that salespeople will avoid.
- e. A prospecting session cancelled is rarely rescheduled.
- f. There are other common areas of time mis-management. They follow this rule: the more difficult and complex the task, the more likely it is to be avoided. Where do the salespeople spend the time that should be devoted to other activities? Extended lunches, unnecessary meetings with existing customers, coming in late, etc.

8. Sales management

- a. A sales manager's primary job is to lead, recruit, retain, teach, coach and motivate. The main areas where shortfalls occur are:
 - i. Recruiting to a specification. Job specifications (requirements, duties, experience, education, etc.) and standard interview questions are frequently not used. An improper hire is costly because the person will have to be replaced and a new person will have to be hired, trained and brought up to speed. All of that equals lost revenue, time and opportunity.
 - ii. Maintaining retention programs for the best performers. This can include career counseling, ongoing training, special compensation, leadership opportunities, mentoring, bonuses, contests, etc.
 - iii. Clear expectation setting, which must include activity expectations (e.g., number of phone calls, discovery sessions, first face-to-face meetings with prospects, demonstrations, etc.). This can, and should be, included in the job description.

- iv. Teaching customer inefficiencies to the salespeople. This is a major shortfall area.
- v. Management assigns quota and other objectives but rarely concerns itself with providing a specific road map for success. Top performers (upper 10-15%) don't need to be shown how to attack the work. Most others do. It is a simple matter of answering the questions, "What does success look like in our organization?" "What activity is required to reach that success?" and putting programs in place to make sure these behaviors are embraced and adhered to by all salespeople.
- vi. Coaching-working with subordinates to perfect all sales skills. We mentioned above that quantity precedes quality. There is an action that can speed up the quality portion and that's coaching. Salespeople are able to get to a reasonable quality level in a particular sales activity on their own...it just may take longer. With the proper coaching, they will get to a higher quality level, and more quickly. Specific areas where coaching is required are identifying prospect inefficiencies, phone prospecting, discovery sessions, management of the sales cycle, demonstrations and presentations.