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INTERNATIONAL

Reinventing Your Sales Organization

Is your cost of sales up? Is sales productivity down?
Are you wondering if you have the right people with the right stuff?
Maybe it's time to retool your sales organization.



Reinventing Your Sales Organization

Both sales managers and sales reps are reporting that sales techniques that worked well in the past just aren't cutting it today.

Feature-benefit selling has ruled the roost for nearly two decades. It has had a great run. But like all great runs, this one is nearing its end. A national survey of sales organizations conducted by RavenHouse International revealed:

- Fact:** More than half of all salespeople don't feel they have what it takes to be an effective salesperson.
- Fact:** Three quarters of veteran salespeople don't believe that their company is giving them the kind of training and support they require.
- Fact:** Nearly two thirds of sales managers feel unprepared to lead their sales teams in today's challenging sales world.

Customers have dramatically changed their expectations. Business buyers have raised the bar in virtually every area.

The survey further concludes that customers are not at all happy with their sales experiences.

- Seven out of ten customers believe that the sales reps that service them are product- focused rather than customer-focused.
- Customers feel that only one in ten sales reps adds any real value.
- More than half of all customers believe that salespeople are unable or unwilling to create a business-to-business customer-supplier relationship.

Why are both customers and sales professionals so dissatisfied? For one thing, the expectations of customers have changed dramatically in only a few years.

Fueled by the Total Quality Management movement of the last decade, business buyers have raised the bar in virtually every area. That includes what they expect from their suppliers in terms of sales and service.

Feature-benefit selling, once the cutting edge of sales technique, is fast becoming obsolete. Sophisticated consultative selling, which adds value beyond the product or service sold, is quickly becoming the standard for the modern sales organization.

How does your sales organization rate?

Is your sales organization designed to withstand an increasingly competitive environment? Is your sales force equipped with the business acumen and selling tools to win consistently? Take a moment to reflect on the sales issues that follow. Grade your company using this scale:

1

2

3

We measure up

We're okay, but need to improve

We have a long way to go

Sales Effectiveness Factors

<i>Factor</i>	<i>Exploration</i>	<i>Factor</i>	<i>Exploration</i>
Customer Retention	Our salespeople have a clear understanding of the retention criteria for each of their customers and have a specific strategy to retain key customers. Score: _____	Commodity Thinking	Our salespeople are able to move customers from commodity thinking to viewing our company as a value-added business partner. Score: _____
Key Decision Criteria	Our salespeople understand the top 3-5 "critical deciders" that customers use to determine which supplier to select. Score: _____	Share-of-Customer	Our salespeople have the skills to develop the full business potential within their key accounts. Score: _____
Value Proposition	Our salespeople are able to demonstrate meaningful competitive advantage and can articulate our company's value proposition convincingly. Score: _____	Competitor Bake-offs	Our salespeople know how to consistently beat our key competitors. Score: _____
Business Acumen	Our salespeople can build a compelling business case for our products and services. Score: _____	Sales Leadership	Our sales managers are skilled in hiring high performing salespeople, creating a performance-based sales culture, and sales coaching. Score: _____
Opportunity Analysis	Our salespeople are consultants who know how to uncover business needs and position our offerings as solutions to business problems. Score: _____	<p>If your scores are not as high as you'd like, you're not alone. Keep in mind, however, that your competitors may already be working to reinvent their sales organization to respond to new market realities. Can you afford to do less?</p> <p>A few of the critical competencies included:</p>	

Is the New World Salesperson really so different?

In a word: yes. Very different.

Recently, RavenHouse International conducted global sales research in the United States, Canada, Australia, and throughout Western Europe. The task was to identify what's different about the world's best of the best salespeople who sell high ticket intangibles to business executives.

The findings surprised even the experts. The factors that differentiated the top performers had little to do with superior verbal skills, outstanding presentation ability, or closing techniques. In fact, top performance has as much to do with who the salesperson is as it does with what they do.

Strategic business focus

Ability to quickly map a complex sale while developing a compelling business case for change.

Diagnostic thinking

Ability to add business value through analytical rigor and helping customers see new possibilities.

Conceptual integration

Ability to balance thinking outside the box with the customer's business requirements to create exciting yet profitable solutions.

All this has some interesting implications. Ask yourself, which of these sales competencies are not trainable?

Top performance has as much to do with who the salesperson is as it does with what they do.

Which competencies reflect who the person is rather than learnable skills? Assuming that these sales competencies do indeed reflect reality, is it any wonder that more than half of all salespeople hired turn out to be disappointing performers? Although competency-based hiring gets lots of press today, the reality is that most companies aren't doing it - and they're paying the price.

What To Do: Part 1

Current research suggests that if your sales organization is built on conventional wisdom, its days are numbered. Many companies are realizing that reinventing their sales function can produce an impressive advantage. Here are three strategies that will quickly pay dividends.



Although competency-based hiring gets lots of press today, the reality is that most companies aren't doing it - and they're paying the price.

1. **Hire the right talent.** Recruit and select using a competency model that accurately reflects what top performing salespeople do and who they are.

2. **Train in the right skills.** Get rid of traditional sales training. It isn't working. Train your sales force in the new skills that are being documented in the best practices of today's top sales performers.

3. **Give your sales managers the right resources.** Provide them with tools to implement or improve strategic sales planning, performance coaching, and sales automation.

Who's Done It?

Charles Forting, is VP Sales and Marketing for a global marketer of assembly robotics. Eighteen months ago he realized that his sales organization was obsolete.



"Like Rip Van Winkle we awoke one morning and realized that the world had changed and we hadn't. It wasn't until our competitors cleaned our clock that we woke up and started to pay attention.

We realized that we were hiring incorrectly, training incorrectly, and managing incorrectly. After losing 30% of our key accounts to the competition, we lost our arrogance and with our customers' help, completely redesigned our sales function.

We're now focused on attracting the very best salespeople. We've equipped them with state-of-the-art sales skills. Our sales managers now spend most of their time recruiting salespeople with the right competencies and working to develop their talent. And it's paying off. Unlike last year's revenue decline, this year will show a 40% revenue gain."

What To Do: Part 2

Assuming you have hired salespeople with the right talent and are supporting them, take the second step in reinventing your sales function by shifting your focus from inside-out to outside-in. In other words, let your customers provide the insights needed to begin the process of building your new sales strategy. It need not be complicated. Many companies have used the following simple interview protocol to provide an outside-in focus.

Make an appointment to call on some of your customers. Make it clear that the agenda is not to sell, but rather to learn. Be certain that they understand that what you learn will be used to improve what you deliver to them. Discourage sugar coating.

Voice of the Customer Research Agenda

- What are the first things that come to mind when you think of your relationship with us?
- What do competitors do better than we do?
- What do you expect from us?
- How could we improve what we deliver to you?
- What are we not doing that you'd like us to do?
- What is changing in your business that may have an impact on what we deliver to you?
- How well do we understand what you want and need?
- What is most important to retaining you as a customer?

Dave Dinning, a Senior Sales Executive at an international computer service firm, is sold on improving his sales organization outside-in.

"We have learned a lot since we've adopted an outside-in strategy. We were surprised to find out how little we really knew about our customers.

Our salespeople monitor the 'customer's heartbeat' and use it as a diagnostic for strategic account development planning. That builds customer loyalty and preempts the competition.

Since we've been using our outside-in customer information process, we've built customer loyalty, and improved retention of key accounts."



The quality of your strategic sales planning is critical. Think of strategy simply as where to play and how to win.

Ensure that your sales strategy is an integrated subset of your overall business strategy. Make sales strategy planning an annual event. Get your key people together for an intensive off-site. The following page offers some suggested points to ponder.

Issue	Exploration
Customer Retention	What will it take to retain customers in the future?
Key Decision Criteria	What are the top 3-5 “critical deciders” customers use to determine which vendor to select?
Competitive Advantage	Do customers see our competitive advantages? If so, what are they?
Customer Sacrifice Index	What sacrifices do customers make to do business with us?
Commodity Thinking	To what degree do customers see us as a seller of a commodity versus a business partner adding business value? What do we need to change?
Satisfiers/Delighters	What are the important customer satisfiers? What does it take to delight customers?
Salesperson Perception	How are our salespeople viewed? How do they add value?
Salesperson Skills	Do our salespeople have the sales and business skills required to add business value?
Care-Abouts	What are the customers care-about in regard to the sales experience? What are the care-about in regard to the products and services we deliver?
Switching Criteria	What factors drive the decision to switch to a competitor?
Value-Added Service	Do customers believe we add value that addresses key business challenges? How?
Channel Management	Are we optimizing our current sales channels? What channels will be most profitable in the future?
Strategic Leverage	What three things must we focus on in the next year to leverage our sales system?

Integrated Strategic Selling

Over the last decade, leading companies created business leverage through Total Quality Management. Over the next decade, companies will create a significant competitive advantage through Integrated Strategic Selling, a process that creates a line-of-sight between customer needs and sales strategy.

Integrated Strategic Selling integrates your sales system and enables you to leverage customer information, selection, sales management, performance management, sales force automation, and compensation.

A successful reinvention of your sales organization requires the right vision, the right information, strategic and tactical planning, and of course, the right people. It requires a commitment to arm both sales managers and the sales force with new tools to be successful in a new sales world.

Is sales system reinvention fashionable, fast, and free? Unfortunately not. However, if you’re ready to dispense with the superficial and commit to a thoughtful, planned, and systemic approach to reinventing your sales organization, your company can own breakthrough sales performance.

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