



The Five Most Dangerous Issues Facing Sales Leaders Today.

**& HOW TO GUARENTEE A PERMENANT IMROVEMENTS IN SALES
RESULTS – SUMMARY REPORT**

TOWERS WATSON RESEARCH DOCUMENT

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Introduction

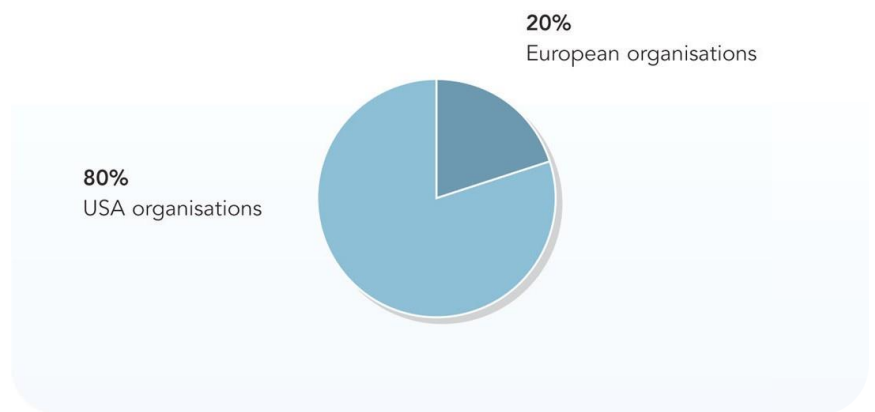
To most Sales Leaders, the attainment of a permanent increase in sales revenues must seem like the search for eternal youth: unending and ultimately, unavailing.

Millions of dollars have been spent investigating and pursuing ways to grow sales, and no wonder; after all, sales are the lifeblood of any Organisation. 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.

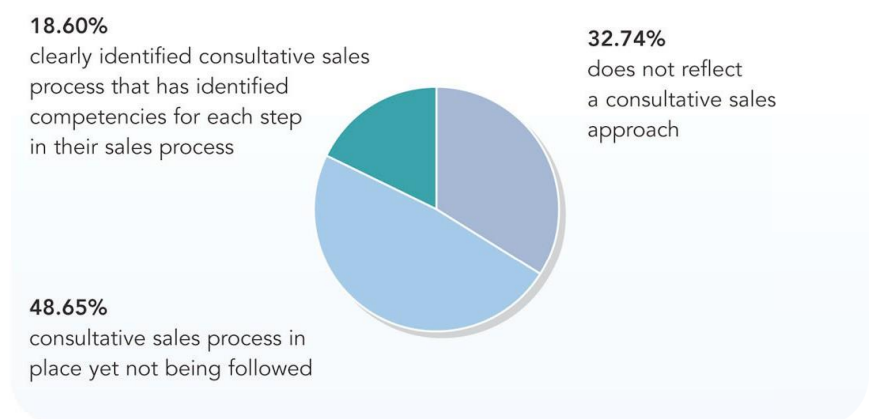
This paper outlines the five most common issues that Sales Leaders need to avoid and reveals the secrets that have helped their top performing colleagues unleash the maximum talent of their sales teams.

Research Findings

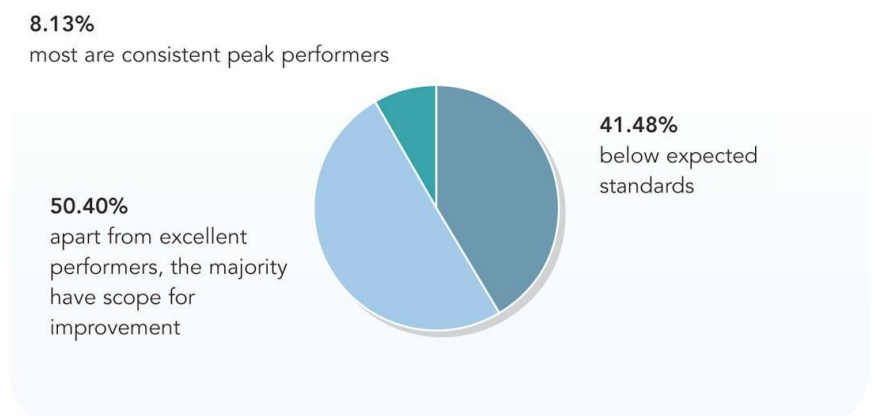
2,663 sales organisations from the USA and Europe took part in this survey and the findings are published here to help Sales Leaders understand the issues that prevent optimum sales performance and results.



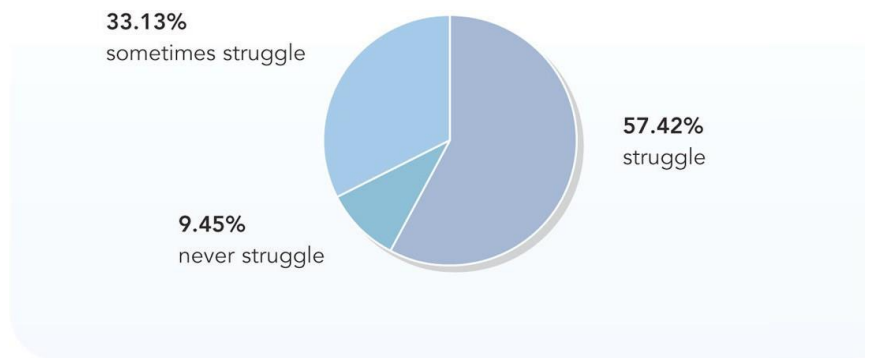
82.29% say they don't have a consultative sales processor or are not following the one they have.



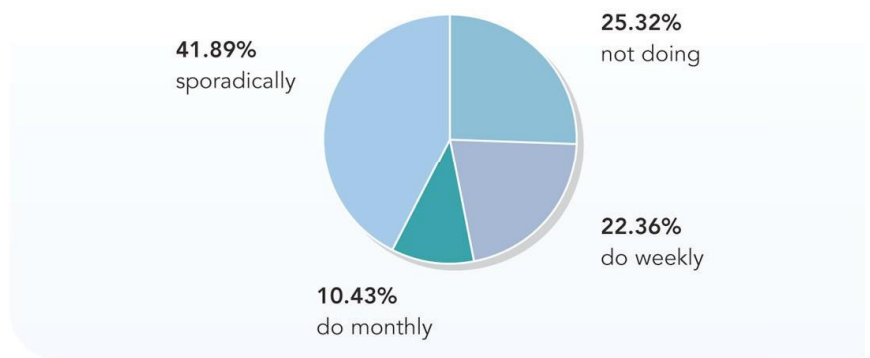
41.48% say that their salespeople are performing below expectations.



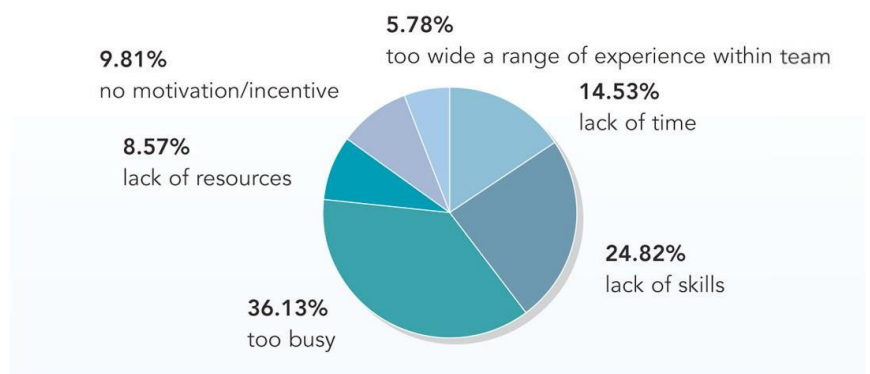
90.47% say their salespeople struggle to keep a proper balance between prospecting, presenting, negotiating, closing and managing an account.



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 optimisation and some suggested solutions that you can implement immediately.

Issue

1

A Poorly Defined Sales Process, which Dilutes Sales Revenues.

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 prospect interaction forward toward a sale. Instead, they end up 'dancing around' hoping they will get to their chosen point on the floor (the sale).

This is often fatal, because as recent research from The Results Corporation Plc shows, the average prospect says "no" seven times before saying "yes" and over 80 percent of salespeople give up after the first "no." When their efforts don't pay off quickly, even capable salespeople tend to get discouraged. They may spend longer hours struggling to meet their sales quotas, working less efficiently. The details of what goes wrong differ for each salesperson, but the net result is always the same: wasted time which fails to produce high quality sales and consequently, increased cost of sales.

For Sales Leaders, this means developing a comprehensive, realistic and step-by-step outline of what salespeople are expected to do. It's only when such an outline is in place that sales management is in a position to monitor the salesforce's activity, progress and results. Only then is the stage set for transformational performance improvements.

Issue

2

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

During the 1970's and '80's, it was common for large corporations such as Hewlett Packard and IBM to put their new sales recruits through a 12–18-month training programme. Today, salespeople consider themselves 'lucky' if they get an initial two weeks of training. Yet sales targets haven't plunged proportionately!

According to Pavita Walker, Director, Organisation and Leadership Development, Barclays Group, "The greatest differentiator amongst sales organisations of the future will be the ability to build world class capability and skills". 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 more responsive to customers' requirements."

So, what's going on? How should a Sales Leader reconcile the fact that many organisations today provide less upfront training for their sales staff than in years past with the increasing importance of staff development? The fact is that selling in today's climate is a profession that demands a wide range of skills that require continual finetuning. According to Steven Reinemund, CEO PepsiCo Inc. "To have growth in products you have to have growth in people". Yet training alone does not guarantee peak sales performance. This can only come from ongoing coaching from sales managers and those organisations that have a strong coaching culture attract and retain the best salespeople.

Issue 3

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

Maximising a workforce around one common goal that creates value for the customer, the organisation and the employee is the only way to focus the activities of a sales team. Time is a huge constraint on salespeople's activities so that when their manager asks them for more, it's no wonder that they buckle under the sheer weight of overwhelm! Frequently there are two main pitfalls that even experienced salespeople can fall into in terms of activities. First, they simply aren't doing enough and secondly, 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. Salespeople who lack a disciplined, future-oriented plan for generating new contacts and sales, often find themselves spending more time attending to 'urgent' activities rather than 'important' activities that will develop their business.

Issue

4

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

Like everyone, salespeople hold stubbornly to private beliefs about themselves and the people they work with... beliefs that can have an enormous impact, either positive or negative, on their sales performance. Yet while most Sales Leaders grasp the concept of activity management and development far too many feel powerless to help their salespeople turn their negative beliefs into positive ones. Those who do tackle beliefs and are able to change their representatives' self-limiting beliefs into empowering ones have found an unbeatable path to success.

Issue

5

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

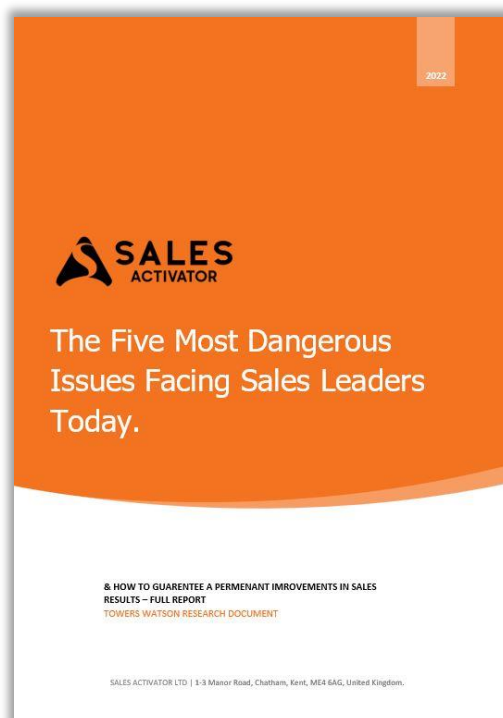
The single most common mistake that organisations make is promoting their number one sales representative into the role of sales manager, thereby depriving themselves in a single stroke of their best producer and hamstringing their salesforce with an ineffective manager. The skills required for managing, mentoring and developing sales teams are totally different from those 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.

The majority of sales managers 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 that they overlook their greatest potential source of power: the power to increase sales performance by developing their people. Even when they do recognise the importance of developing their representatives, many sales managers find that they lack the skills and resources to do it effectively. It then becomes easier 'not to bother'. 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 to contemplate.

A Commitment to Excellence.

Organisations and salespeople who have one hundred percent 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. Every organisation has the potential to harness the power of their salespeople just as surely as oxygen pumps life into the human body.

This is a summary of a 27 page White Paper on, 'The Five Most Dangerous Issues Facing Sales Leaders Today and How to Guarantee a Permanent Improvement in Sales Results'.



A Special Thank You

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

Brian Lambert	CRSP, President, United Professional Sales Association
Pavita Walker	Director, Organisation and Leadership Development, Barclays Group
Giles Watkins	Global Competence and Learning Manager, Shell Lubricants
Jonathan Ledwidge	Director, Learning and Development, Financial Markets, ABN AMRO Bank
James Seaton	Vice President of Development, Think Training Inc.
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