



THE GOOD PEANUT

## **“TAKING THE LID OFF YOUR SALES ORGANISATION”**

**Why sales teams will continue to underperform until we discover the hidden weaknesses that paralyse growth and take action to address them**

**A research paper on professional selling  
by Julian Griffith**

The importance for businesses to grow their sales is as high now as it has ever been. Leaders and their senior management team are under constant pressure to deliver results in order to satisfy shareholders, financial institutions and other stakeholders.

Faced with this, firms have to decide whether to pursue a strategy of organic growth or to acquire complimentary businesses.

I will concentrate on the very real challenges all our businesses face, whatever their size and industry, as we attempt to properly understand what really drives our sales people and how we can get more out of them.

In this report we'll look at the pivotal role sales teams' play, uncover hidden factors that undermine performance and examine what steps we should take to get better results from our salespeople.

On the face of it, organic growth should be easy to achieve. I meet lots of business leaders who are rightly very proud of their innovative products, their excellent logistics, warehousing and delivery record. So where does the major blockage to growth lie? According to a recent survey conducted by Frost & Sullivan<sup>1</sup>, when executives were asked to identify their key challenges to organic growth, *the lack of talent* was the primary reason cited.

So what's preventing growth is a lack of good talent. Where is this deficiency of talent most marked? Let's dig a bit deeper here.

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<sup>1</sup> Frost & Sullivan [www.frost.com](http://www.frost.com)

Assuming your company offers a good working environment together with a competitive salary and staff entitlements, you should enjoy access to a pool of capable candidates to fill roles in administration, production, warehousing, accounts and the like.

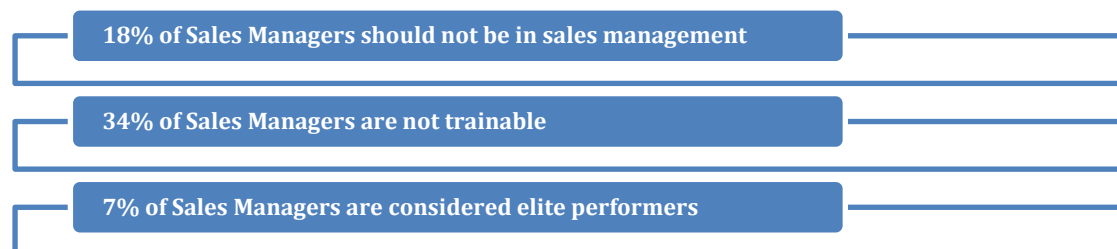
Having assessed many thousands of businesses, we find the reason they struggle to grow invariably lies with sales management's willingness to accept mediocrity and a lack of accountability from their sales people. This is made worse by ineffective hiring procedures, where we are prone to hire the same type of salesperson, often in our own image. We've probably all done this at some time. But it's a worry for us all that according to Dr Bradford D Smart, the creator of Topgrading<sup>2</sup>, *"Most companies hire high performers only 25% of the time"*.

Whilst this statement may be viewed as confrontational and dismissed by some sales leaders, it is supported by data obtained through evaluating nearly 50,000 sales managers in about 250 industries over a period of twenty years.

In 1990, following four years of research on the subject of why so many salespeople fail to be effective, Dave Kurlan formed Objective Management Group (OMG)<sup>3</sup>, creating the first *sales specific* assessment tools. Having since worked with many of the World's leading sales organisations, with regard to sales management he comments:

*"While the number of salespeople we have assessed is greater than 400,000, the number for sales managers is closer to 50,000 - still a more than adequate sample size."*

The results of the findings are revealing, and are very much in tune with the Australian market. He concludes:



*That means 52% of all sales managers, more than half, should consider doing something else - like selling! (Dave Kurlan). Sadly, only 7% of those assessed are considered high performers.*

Given this, why is it so important to the success of our businesses?

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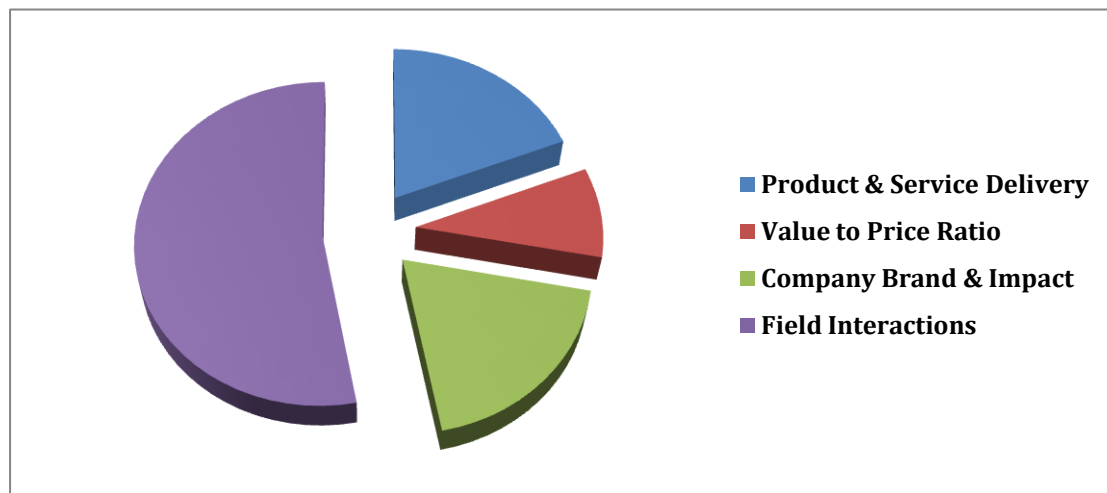
<sup>2</sup> Dr Bradford D Smart, Topgrading [www.SmartTopgrading.com](http://www.SmartTopgrading.com)

<sup>3</sup> Dave Kurlan, Objective Management Group [www.objectivemanagement.com](http://www.objectivemanagement.com)

Let's look at some other research. I was drawn to an article by sales consultants Corporate Visions<sup>4</sup>, around how you must differentiate your offering from those of your competitors. This got me thinking around how difficult this has become as more suppliers crowd the marketplace, with good products or keener pricing – or for that matter both!

On reflection, there are a few truly iconic brands such as Apple, Ducati (voted the World's coolest brand), Cartier and the like that are the exception. But the impact these findings have on the vast majority of businesses are backed up by the article from Corporate Visions in which they detail the four key parts needed for us to sell a product or service, and what percentage each play as

- Product & Service Delivery 19%
- Value to Price Ratio 9%
- Company Brand & Impact 19%
- Field Interactions 53%



Let's be clear on this. So, the effectiveness of our salespeople, client facing in the field plays a bigger part than the other three combined! Our salespeople are the most important part of the jigsaw but usually the hardest to understand.

So much time and money are invested in product development, marketing, advertising, storage, premises and staff. The list goes on and on, and when it all gets boiled down, we rely on the abilities of our salespeople, (the staff we struggle to understand), to go out there and sell, in order for the business to just survive, let alone grow.

If you recognise that these problems may be undermining your company and that your salespeople are not fully aligned with your vision, I would like to share three key steps you can put into action now that will transform the performance of your salespeople.

*"If you want to be a good to great company, you have to first put the right people on the bus, get the wrong people off the bus and get the right people into the right seats. Then you can drive the bus anywhere." Jim Collins<sup>5</sup>*

<sup>4</sup> Corporate Visions Inc. [www.corporatevisions.com](http://www.corporatevisions.com)

<sup>5</sup> Jim Collins [www.jimcollins.com](http://www.jimcollins.com)

## **Key Step #1: Discover which of your salespeople have the 4 crucial elements needed for success**

Let's start with putting only the right salespeople on the bus.

Business today is run on metrics. Everything is measured apart from what is arguably the single most important factor, the real quality and *growth potential* of our sales teams.

Evaluations show that just 6% of salespeople become elite stars, you will already know if you have one of them, they're the ones who constantly over achieve and we'd all love an office full of them. A further 20% show as strong performers who add value to their companies. This leaves 74% who are underperforming.

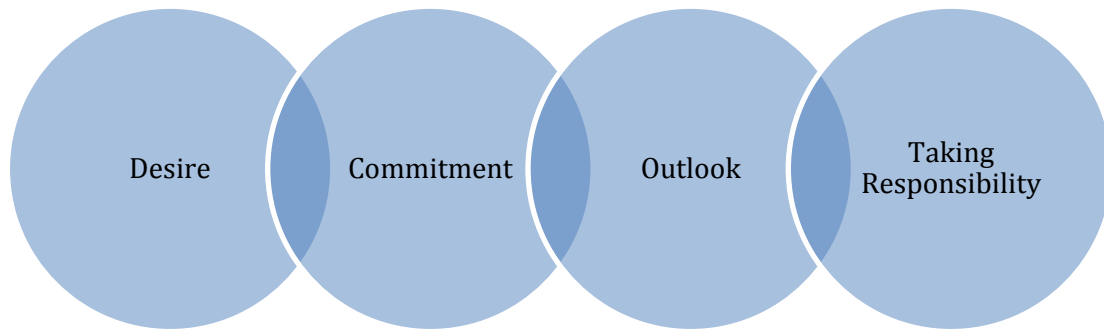
In a recent survey of marketers by Business to Business magazine, a publication based in Atlanta, the top goal for 62.3% of the respondents was *New Business Acquisition*. We should not underestimate the significance of this challenge, when considering findings reported by OMG from evaluating the potential of client sales forces, reveal that some or all of their salespeople struggle to make the numbers even in good times.

To further understand the real reasons why acquiring new business is usually so much harder than we would wish, OMG recently surveyed 5000 salespeople and reported that 24% either could not, or would not prospect for new business, even though it was part of their job description. The same data demonstrated that over half of this group could not close a sale.

At a recent business function, one of the guests I was chatting with told me she hated the idea of having to pick up the telephone and prospect for new business. I agreed that it is an area that challenges even seasoned salespeople and at this point asked what her role was within her company. She replied "I am the Business Development Manager". Let's just hope that new business acquisition is not the top goal for her employer.

Okay, enough said about the current realities, how can we tackle this problem? The first key is to objectively evaluate our sales team, to have a crystal clear picture of what it really looks like and which managers and salespeople have the potential to grow, and by how much.

To tell us whether we have the right people, OMG has distilled its findings and identified four crucial elements an individual must have to be successful in sales; Desire, Commitment, Outlook and Taking Responsibility.



Whilst of course we recognise the importance of product knowledge and sales skills, their character and whether it sits well with the company's culture, if an individual lacks these four elements, the data tells us no amount of training and product knowledge will make them the strong sales person we need. Let's take a moment to run through them.

1. **Desire** is the most vital element in telling how much the salesperson really wants to succeed. Most days salespeople have to handle rejection and hostility as well as pressure from management. A lack of *genuine* desire will often mean that they take the easy way out.
2. **Commitment**, will he or she really do whatever it takes to succeed? Often this is conditional and if they lack strong commitment, their incentive to do anything difficult is not very compelling and they will choose an easier path.
3. **Outlook**, this is how they see the world and includes their beliefs about their role as well as themselves and those around them. It can be variable and when weak, leads to excuse making and other behaviours which negatively affect their sales performance.
4. **Taking Responsibility** and being accountable for their results. So many businesses are plagued by salespeople who constantly make excuses. They will seldom improve as they do not recognise the part they play in their failures.

Research from OMG show these four crucial elements determine the sales individual's *Incentive to Change*. What does this mean? With the right training, coaching and development this person will improve and has the potential for growth in your business.

On the other hand, the person who has no desire to change is not trainable. Let's face it they probably know it all already. Do you recognise any of them in your team?

You will now know if you have some of the wrong people in your team and can be confident in making the decision to get them off the bus.

*"Create a team of high performers and you're likely to succeed, but keep a lot of low performers and you're apt to fail."* (Dr Bradford D Smart)

## **Key Step #2: Uncover the hidden weaknesses that are blocking success**

So we have identified the four vital elements we must have to be successful in sales. You now know which of your people should be on the bus, problem is solved, now let's get hitting those targets.

Unfortunately, our beliefs system can conspire to work against us. We all hold a set of beliefs, they shape the way we lead our lives and can defy logic in the eyes of others who hold very different ideas and values. Certain beliefs block salespeople from reaching their potential and undermine their careers.

Every salesperson possesses up to 60 of them that either support or sabotage their careers. They are usually hidden from the individual and certainly from their managers. OMG's findings identify that ineffective salespeople often have 10 or more of these self-limiting beliefs while more effective salespeople have very few.

So what are these blockages holding back these possible high performers?

Having identified over 20 self-limiting beliefs, they pinpoint four main weaknesses that when present in certain combinations, stop salespeople from carrying out their strategies, thus making outcomes uncertain and sabotaging growth.



These are explained as:

- 1. Having a need for approval and to be liked**, the very same characteristics that encourage people into a sales career often undermine them. Salespeople tend to be social animals and like to build relationships and friendships. Being easily liked is a great advantage, but when the *need* to be liked by prospects takes hold, fears of rejection and confrontation block the ability to ask those vital difficult questions. This salesperson will be driving away from the meeting, wishing they had asked that hard question, the one that even

though it might have made the prospect uncomfortable may have clinched the order had he been brave enough to ask it.

2. **A tendency to become emotionally involved**, when salespeople think, analyse, create, strategise or otherwise talk to themselves when prospects catch them by surprise, they become emotionally involved instead of remaining in the moment. When they are emotionally involved, their listening skills tend to be self-focused rather than prospect focused, causing them to miss important points and lose control of the meeting.
3. **Procrastinating and comparing products and prices when buying**, OMG refer to this as “*Having a Non-Supportive Buy Cycle*”. It’s the way a person makes a major purchase for him or herself. Depending on how the individual behaves has a major impact on their ability to be effective when selling.

Effective salespeople are decisive when choosing and buying things. If they want a new suit, a TV, a car, they’ll go right ahead and do it, often within minutes. They know what they want and they’re on a clear mission to get it. They inherently expect their prospects to behave in the same way.

On the other hand, ineffective salespeople are saddled with procrastination, termed as a non-supportive buy cycle. They find it hard to make a decision and will go to several retailers for comparison, do a lot of research and often look for the cheapest price. This means the salesperson is in tune with the prospect that *needs to think about it or will want a discount*. They will be weak at handling stalls and put-offs, because they behave the same way.

4. **Being uncomfortable talking about money**. It’s surprising just how many salespeople become uncomfortable when the subject of money is raised. This may be ingrained from childhood when it was considered rude to discuss money, how much something cost and what somebody earned. In addition, a person’s view of what a lot of money is varies considerably. If a salesperson believes that \$1000 is a lot of money, they will feel discomfort when discussing the cost of their product which is say \$10000.

They struggle to uncover the budget and be comfortable talking with their prospect about how they can afford the product or service being offered, and then raise the conversation to the next level. It’s at this point that an effective salesperson is brave and has the ability to dig deeper and openly discuss alternative ways of finding the money. Those salespeople who are uncomfortable doing this will avoid this scenario, empathise with the prospect and accept the put off.

### **Key Step #3: Do you have the right people? Do they have the skills?**

Only once we know where a salesperson's individual strengths and skill sets lie are we able to put them into the right seats on the bus.

Even if your top goal is *Acquisition*, it's generally agreed your sales team must also be effective at *Growing* and *Retaining* existing accounts. So it's important to be clear in which of these disciplines each of your people are best suited.

Thankfully, they will rarely exhibit just one of the following *Sales Identities* to the total exclusion of any others, instead demonstrating stronger abilities in certain skills that will enable us to place them in the right role.

I don't want you to regard the following definitions as over simplistic, instead they encapsulate the skills needed, but more importantly the mindset of the salesperson which will either support them or not in the role. Remembering the importance of an individual's *Incentive to Change*, our duty is to prevent our salespeople from becoming complacent (and bored) through simply allowing them to do what they're most comfortable with. Instead we must challenge them and work to address their fears, enabling them to develop other skills.

- **The Hunter** is the person we need in the front line. She shows no need for approval and recovers quickly from rejection. She's a good and consistent prospector, is great at getting referrals and reaching the decision makers.

Think about your sales team, can you identify this person? They're harder to find than we think.

- **The Qualifier** is a decisive buyer herself with no need for approval. She is comfortable talking about money, enabling her to uncover the budget.
- **The Closer**, he attempts to close. That may sound obvious, but a lot of salespeople never ask for the order! He has urgency and won't accept put offs. Again he expects customers to buy and has no need for approval.

The ideal new business salesperson will have strong hunting skills, the ability to qualify prospects effectively and close the business.

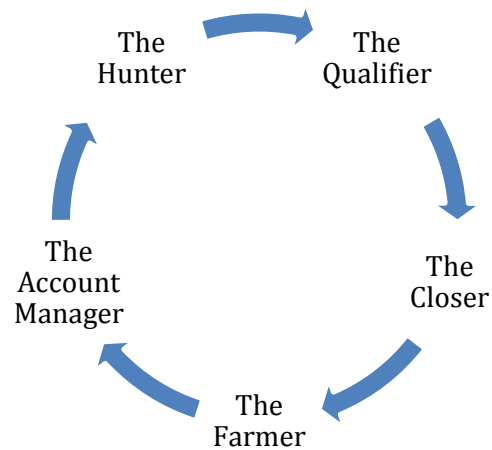
When we look to grow existing accounts, we look for someone with strong development and relationship building skills. We can refer to them as a farmer.

- **The Farmer** is a more passive individual but still has closing urgency, asks for the business and has a supportive buy cycle. However, she is likely to have difficulty recovering from rejection, does show a need for approval and won't prospect.



Finally, we need to fill the remaining seats with those best at maintaining strong service levels and good relationships. These are our account managers.

- **The Account Manager** will be strong at bonding with their clients and believes “I should be their friend”, he gets to the decision makers and the budget, but tends to need approval and won't prospect.



To summarise this part, an example might be John, our new business manager. Whilst good at uncovering and opening up new opportunities, he tends to be too trusting of prospects so will require assistance from management when assessing his pipeline. He is good at asking for the business, but not as effective as he could be at doing it and this will require some coaching. Finally, he is well liked by his clients and tends to get diverted into managing work going through as opposed to handing it over and concentrating on looking for new clients. His manager must work with him to overcome this weakness, clearly define their expectations and hold him accountable to them.

Another member of the team called Jane wanted to be given the chance to be a business development manager. She has always been highly regarded by clients and done well in managing their accounts. So, *it seems* like a good idea and we decide to expand her role to include a new business target. Sadly, three months down the road and she is feeling down. Although she's always been terrific on the phone with clients, it turns out she has a deep seated fear of picking up the telephone and speaking with strangers, only to be told to go away. When she is confronted by hostility and rejection it really knocks her confidence and is having a detrimental effect on her other work.

You may recognise similar things with your people. So, by objectively evaluating and understanding our people's skills fully we can be much clearer on what roles each of our team must play.

### **What's at the core of the problem?**

Unfortunately, the vast majority of the businesses I meet, whatever their size and industry, can suffer from underperforming sales organisations.

Central to this dilemma are poor hiring processes and weak sales management.

Let's take a moment to look at these two factors.

We have all probably been quite charmed at an interview by the sales candidate who seemingly has it all. He looks the part, recounts with confidence his greatest achievements and has an impeccable CV, (which he wrote) and terrific references (which he selected).

Six months later and countless dollars spent on salary and lost through missed business opportunities, we realise we've hired a pup, and possibly not for the first time. I call these Sales Ghosts. They look, sound and behave like salespeople – but don't actually sell anything. Maybe you've been lucky so far and not hired one. Many of us have and will testify to the immense disruption they can cause.

Now let's take a look at sales management. I recently attended a sales seminar where one of the presenters headlined his accompanying notes "*Why there are no bad salespeople, just bad managers*", sounds harsh but I believe true.

However, the purpose of this discussion is not to lay blame here, instead to understand why most companies have ineffective sales management.

Most sales managers have been successful in the field and employers keen to keep them will *promote* them to management roles. Invariably the very characteristics that they displayed as a successful salesperson, work against them when managing others. Maybe they've been self-focused on getting to number one, always played their cards close to their chest, even been a bit of a maverick.

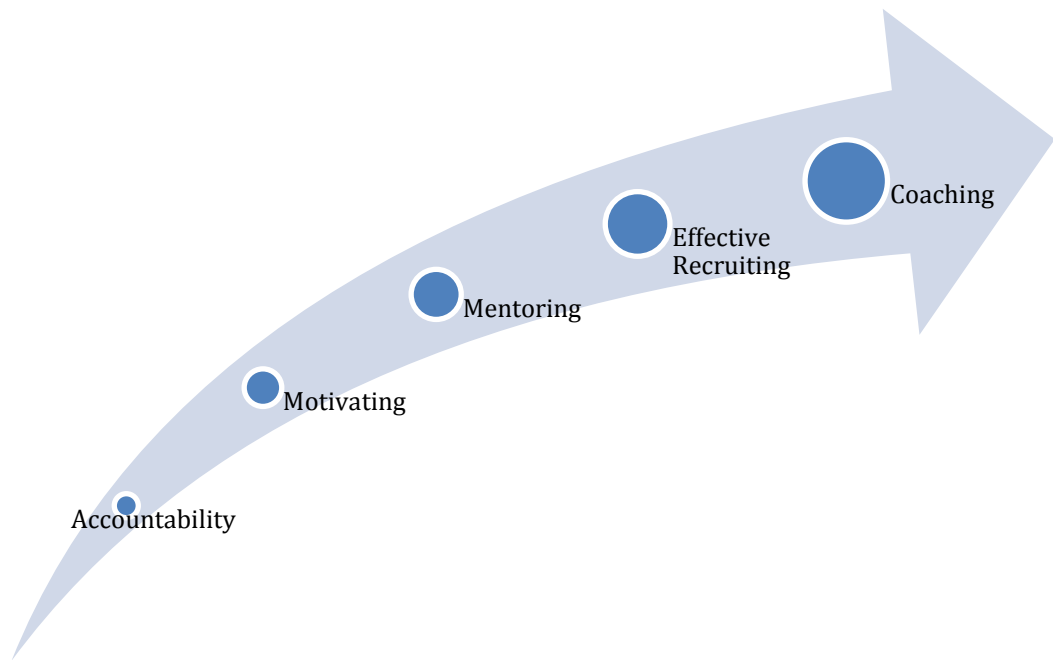
Now they are expected to spend their time developing others, handing over control of the day to day sales, including their accounts, to their team whilst fire fighting problems, completing endless reports for senior management and getting embroiled in company politics.

Experience shows that very few are properly supported and trained for their new role. Is it any wonder they struggle?

Sales managers usually need coaching and developing in at least one or two of these five essential skills. (If it transpires they're weak in all five then we may need to seriously consider re-deploying them as soon as possible).

The five essential sales management skills are:

1. Accountability - being a performance master and letting your people know exactly what is expected from them and by when.
2. Motivating – understanding the practical aspects of getting the best out of your people.
3. Mentoring - how to effectively pass on experience to develop talent.
4. Recruiting only high performers – learning and implementing specific skills related to the recruitment of only high performance sales people.
5. Coaching – giving ongoing support and development to salespeople.



**Now the lid's been taken off you can take effective action with 5 things you can do now**

I came across a fantastic strap line recently - ***The bottom line starts at the top*** and you will know that any action taken to make your salespeople more effective must come from the very top.

We understand it will be a continuous journey of improvement and there are five things I would recommend you could do now to get started.

1. Spend time to properly understand your sales managers and let them know exactly what is expected of them. Be objective and consider bringing in a specialist firm to objectively evaluate their skills.
2. Your managers may need coaching and developing. Be prepared for push back from some of them. They're going to be put under the microscope. Whilst the stronger ones usually get excited by and embrace the opportunity for development, weaker ones may feel threatened and attempt to side step the changes you plan to implement.
3. Take a fresh look at your salespeople and question whether they are really committed to the business. Are they an asset to you or a liability? Take those that are an asset and make sure you have them doing what they're strongest at.
4. Consider putting in place ongoing development and training for those who will help you grow your business, and finally
5. Please do not bring new salespeople into your business until you have started to rectify any problems with your current people and when you are ready to, absolutely ensure you have a robust selection process in place to attract only high performing salespeople into your business.

The End

About

The

Author



Julian Griffith is the most sought after private advisor to CEOs specialising in sales force performance for three specific reasons. 1) He tells it like it is 2) He doesn't play politics and 3) He has an uncanny gift to uncover sales blockages that most CEOs don't always recognise on their own. Having held senior sales leadership positions both in the UK and Australia, Julian has seen the good, the bad and the ugly among sales leaders and why they innocently miss hidden performance blockages within their own sales teams.

Julian is the Managing Director and Founder of The Good Peanut. As a CEO Insider himself, he has witnessed firsthand the key ingredients needed to transform an underperforming sales team into a world-class sales organisation and he and his team work with CEOs intent on building high performance sales teams to drive growth for their companies.

In his book "The CEO Solution", Julian discusses the leverage that you need to optimise your sales organisation's ability to perform at a world-class level, he unmask the truth about what is really going on in your sales force and covers specifics such as how you can prevent your sales team from eroding margins in your business in order to "close the deal", together with the beliefs we hold and whether they support or hinder sales performance.

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