

Discussion Paper

BARRETT Sales Fitness Test

Preliminary findings from the analysis of data collected through the Barrett Sales Fitness Test – Team June 2006

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Preliminary findings

96 Managers rated their sales team on 10 characteristics using BARRETTT's Sales Fitness Test from December 2005 to April 2006. Respondents represented over 10 industry categories. Their sales cycles ranged from I day to several months and the number of sales staff reporting into them ranged from 1 to 41+.

Preliminary analysis of managers' perceptions of their sales staff overall are discussed in this report. Sample sizes for industry groups are not yet adequate to conduct any analysis on differences in managers perceptions between industry groups.

Results and Discussion:

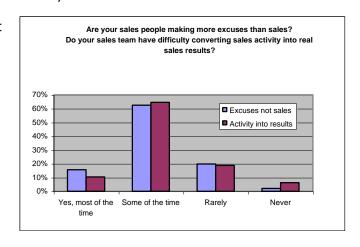
Not converting Sales Activity into Sales Results and Making more Excuses than Making Sales

A striking finding was that overall, 79% of managers surveyed reported that their sales team has difficulty converting sales activity into real sales results, and 75% of Managers perceived their sales people to be making more Excuses than Sales some of the time to most of the time. Only 22% of Managers perceive their sales team rarely or never have this difficulty converting sales activity to sales results, and only 21% reported their sales staff rarely or never make excuses.

From BARRETT's observations whilst consulting, coaching, training and during in-depth face-to-face interviews on sales job analysis, underperforming sales people are often making excuses.

These excuses typically include:

- Price is too high
- Quality of the product is inadequate
- Quality of the lead is poor
- Too much administration



There is usually some legitimacy around these issues, however in the majority, highly effective salespeople are able to achieve these targets within these constraints. They accept the world is not perfect and rather than use these reasons to excuse poor performance, they take responsibility for finding ways around the problem. For example, if administration is onerous, they may build a case to gain administration support or find more effective ways of completing administration. Elite Sales performers rarely use these as reasons for poor performance, rather they focus on finding solutions to achieve their targets.

High performers do not excuse their performance, they take responsibility for it and take action to address it. This may even include reflecting on their style and gaining feedback from managers or clients. They may identify strategies to address sources of the problem and involve their manager in implementing these strategies. This finding is consistent with previous research conducted by



Rosenbaum (1999) which showed that Self Appraisal and Openness to learning is a key differentiator between superior performing and low performing sales people. This research showed that top performers are constantly reflecting on their performance, seeking feedback and are more able to honestly appraise their effectiveness. Rather than being defensive and excusing their performance, they accept the constraints of the environment and seek to either learn how to perform more effectively within the environment, or put in place strategies to improve the environment or resolve the issue.

For example, a superior performing salesperson at a major Australian corporation recognised that time spent on administration was limiting his sales results. He built a business case to invest some of his own sales income (he was 100% sales commission) to pay for an administration person, put the case to management and was given the green light. Sales went up exponentially as his time with clients was maximised, as was his quality of fulfillment. Clients were more satisfied. In 12 months, both his sales through existing clients and newly acquired clients went up exponentially. The cost of his administration resource was more than returned to him, and this has been sustained for a number of years now.

When sales people use excuses, particularly when poor performance is concerned, it can be attributed to a number of possible factors. One of the more common causes stems from the emotional distress caused by fear; the fear of self-promotion, the fear of contact initiation and the fear of prospecting. And research conducted by Behavioural Science Research Press concluded "The hesitation to initiate first contact with prospective buyers on a consistent daily basis is responsible for the failure of more competent, motivated, capable revenue generating people than any other single factor.

So what we have is a downward spiral where this fear of initiating contact reduces the number of prospects to sell to, which in turn reduces the number of possible sales which ultimately leads to poor sales performance. And what are these poor performing sales people doing instead of initiating contact, prospecting and selling? Making excuses! They blame the product, complain about price and moan about administrative burdens.

Competencies that differentiate superior performing sales people

Rosenbaum (1999) found that Basic Selling Skills and Account Planning do not differentiate high and poor sales performers. These are the basic skills needed to be in sales. Yet, recruitment and development activities of sales manager often focus on these and do not develop those competencies that truly differentiate superior performers. This is supported by our findings which found that 49% of Sales Managers overall perceive their biggest challenge is helping their sales team develop a competitive edge. Superior performers are adept at understanding their client needs (not just their overtly stated needs, but also the underlying business needs and drivers of their clients), and working creatively and collaboratively to find innovative solutions. This finding indicates some frustration that this competency is not well developed in their sales team in the view of almost half the Sales Managers surveyed.



These competencies can be developed to an extent, for example through product knowledge and depth understanding of clients. However, the findings show that

75% of the managers surveyed reported that their sales people are only Poor to Reasonable at matching products/services to the client's needs. Some of this problem can be addressed via training, however underlying abilities will also contribute to a salesperson's ability to solve complex problems for their client. Sales people who are high in Abstract



Problem Solving, Verbal and Numeric reasoning will be quicker to understand their clients needs, understand them more accurately, match products and services to create innovative solutions and be better adept at the financial analysis involved.

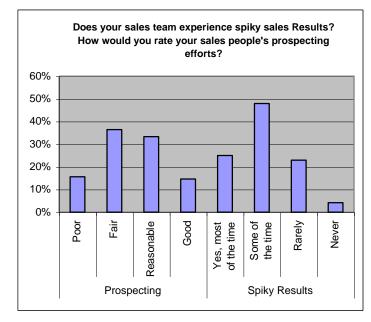
Recruiting salespeople who have the right level of cognitive abilities for the type of problems they are solving is an important and neglected part of recruiting sales people. Sales people who are lower in these abilities may develop the competencies over time, however their rate of learning is likely to be slower.

Competency and Motivation to Prospect

75% of managers rated that their sales people's prospecting efforts as Poor to Reasonable, only 15% perceived them as "Good, and 73% reported that their sales team experience spiky sales results, which is often an indicator of poor

prospecting and pipeline management. Further, 53% describe their sales people as having a haphazard approach to prospecting, have an over reliance on existing customers and do not explore emerging industries. Only 26% of managers report their sales people have targeted, documented and reviewed sales plans.

These core sales activities reflect poor levels of core sales competencies – the ability to identify emerging markets, competencies to explore and create opportunities within these new markets and with





new prospects to ensure the pipeline provides a constant supply of sales. Targeting and winning the right mix of clients to ensure this constancy of the pipeline is also characteristic of high performing sales people. Backed by excellent sales plans, discipline to follow and maintain these plans is also crucial. Sales people who are high in accountability and have the right level of Drive, Planning and Organising competencies, Strategic and Tactical Thinking and actions are adept at these activities.

Looking Forward

These initial finding are no surprise to BARRETT. We see managers of sales people dealing with these issues on a daily basis. It is comforting to note that with time and effort these issues can be addressed. The first step is to analyse your level of Sales Fitness. We would encourage you to, if you have not done so already, take the Sales Fitness Test. It is available on our web site: www.barrett.com.au.

We have also released two new Sales Fitness Tests: the first looks at general sales performance; the second looks specifically at prospecting behaviours. Both of these tests are complimentary and have been designed for individual sales people to assess their own performance. If you're a manager of a sales team we would recommend that you encourage all of your team to participate. If you would like a group summary of your team's results please, contact us on (61) 03 9532 7677.

We will be publishing the results of the new tests and will continue to update you on the results from the team test.