The Path To
Sales Effectiveness

By Seleste Lunsford, *Executive Consultant*

Due to the dynamic nature of today's marketplace, achieving sales effectiveness is more of a journey than a destination. However, our experience has uncovered a consistent path to success that is centered on the true differentiating factor in sales: the customer relationship.

Steps along the path include:

1. Clarify the value you offer your customers.

2. Find and engage the customers who will value your services.

3. Develop a consistent relationship process that matters to these customers.

4. Build a sales organization that supports, rather than inhibits, this process.

5. Equip individuals to do their part in building these relationships.
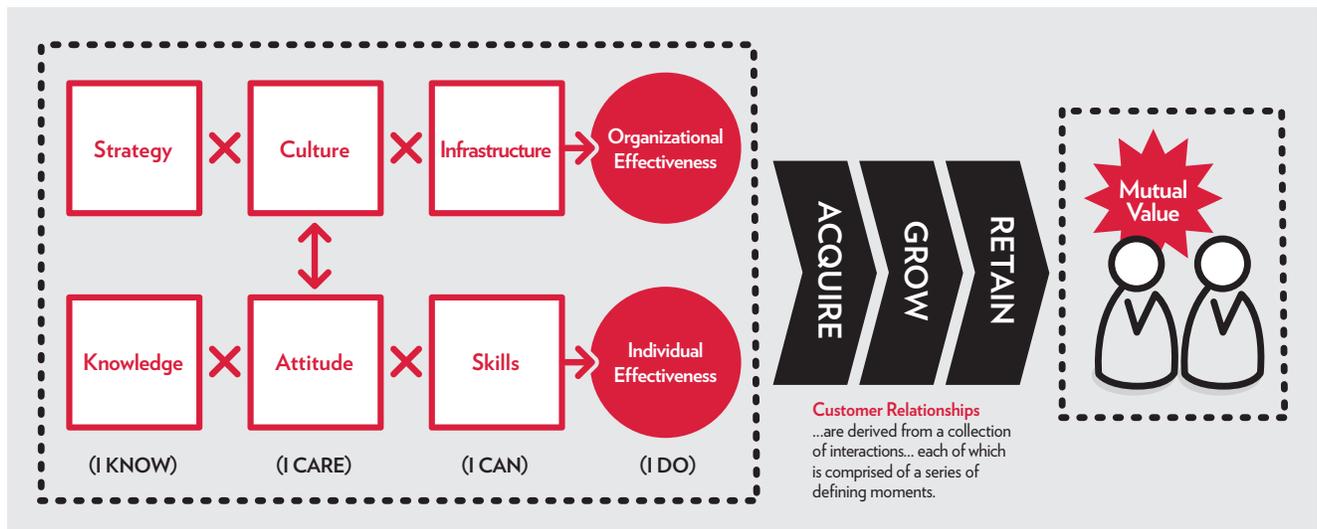
STEP 1:
Clarify The Value You Offer Your Customers

The role of a salesperson is to identify, understand, and engage specific customers who have a need for—and value—what your organization is providing. To do this in a meaningful way, every individual in the sales organization must have a clear and consistent view of the value proposition being offered.

Clarity is critical. For a relationship to be considered "mutually valuable," there needs to be a common understanding of what that value is and where it comes from. Yet, clarifying the value proposition is a deceptively simple requirement.

Ask a dozen people in your organization what value you bring to your customers, and you're bound to receive a dozen different answers. Most responses will be product-centered, "we sell widgets," some might be solutions-oriented, "we sell cost reduction widget systems," and others will be non-committal, "we sell anything we can!"

Today's sales organizations are finding that the product or service element of their value proposition is being commoditized by rampant competition, which, in turn, has resulted in a modified role for the salesperson. Salespeople today must function as a crucial part of the value a sales organization provides to its customers— above and beyond just the product or service itself. This allows for a deeper level of mutual value in relationships and has significant implications for the remaining steps to effectiveness.

Once everyone in your organization is on the same page, the next step is to carefully examine the market segments in which you operate. Subsequently, you must also identify those customers that will value what you have to offer and represent a good fit to partner with your organization.

STEP 2:
Find and Engage The Customers Who Will Value Your Services
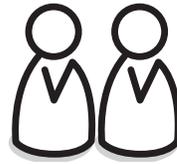
These days, clients are more knowledgeable than ever about the products and services they purchase and, quite frankly, see little value in salesperson involvement. As a result, many customers are moving toward self-service channels, reverse auctions, procurement committees, and other arms-length buying models.

So, how do organizations add value to the sales relationship when buyers are no longer willing to participate? The answer lies in identifying and understanding the specific customers who are willing to entertain deep relationships with suppliers. Then, the organization needs to segment and prioritize their customers according to mutual value—the value your customers place on your services, as well as the value your organization places on them.

At this stage, it is time for you to decide what kinds of relationships your sales force should be building with its customers.

STEP 3:
Develop a Consistent Relationship Process That Matters To These Customers

Through ongoing research of industry challenges, many common themes arose, including pricing pressures, selection issues, demanding customers, increased competition, global issues, regulation, and many more. Leading sales organizations believe that the key to overcoming these challenges lies in the kinds of relationships that they are able to form with their customers.

Customer relationships are constructed and destructed over a series of interactions with the seller organization. These interactions might include sales calls, service transactions, technician visits, and more. The defining moments within each one of these conversations help customers to form a perception of their relationship with

their supplier. Organizations must examine their desired customer segments and seek to understand their buying processes and expectations in order to meaningfully execute each of these interactions.

A formal relationship process defines all of the selling activities and resources needed to acquire, grow, and retain a relationship with a specific kind of customer. This process is especially important due to the many different kinds of relationships you can form with customers—each of which requires a different level of organizational and individual effectiveness (as shown in the diagram below).
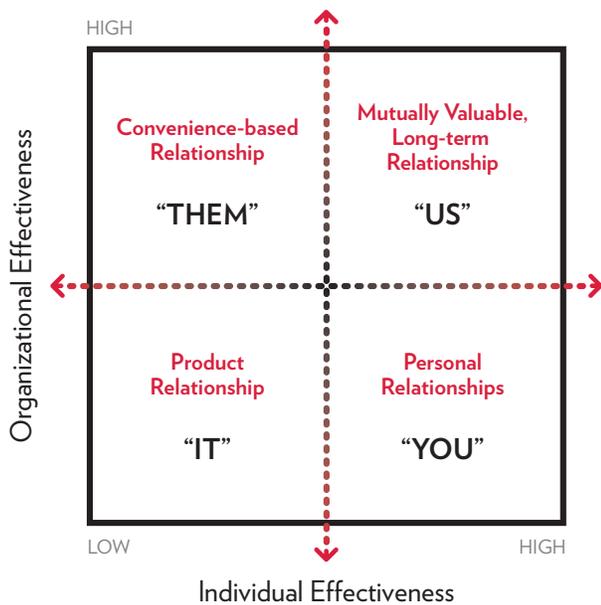
For example, relationships might be:

- Product-based in which customers view their suppliers solely as the means to purchase a desired product. *"I buy widgets wherever I can find them the cheapest."*

- Convenience-based in which the motive to purchase is based on the ease of the transaction. *"I buy from Acme Co. because they have a simple to use, self-service Web site."*

- Personally-driven in which the customer perceives their relationship to be with an individual within the supplier organization. *"I buy from Jane because she knows a lot about widgets."*

-However, the difference in today's marketplace extends beyond this spectrum. Selling organizations that are truly able to overcome commoditization and competition are those that have formed— or strive to form—long-term, mutually valuable relationships with their customers. *"I've been working with Jane at Acme Co. for years now. They've been invaluable in helping me reduce my operating expenses."*

As shown above, long-term, mutually valuable relationships require high levels of individual and organizational effectiveness. As a result, these kinds of relationships can be costly. The payoff, however, can be tremendous, as the benefits include longer-term revenue streams, insulation from competition, and less vulnerability to price pressures.

There is no one right way to create deep customer relationships. Effective sales organizations should have specific relationship processes to meet the needs of each of their targeted customer segments. But, how do you know if you have the best process to build those relationships? The best process will have salespeople in the right places, doing the right things with the right kinds of customers and generating the right return.

Unfortunately, these kinds of relationships are often inhibited by constructs within the sales organization itself, including a contradictory culture, misaligned compensation systems, nonintegrated software tools, and more. That's why the next step toward sales effectiveness is to re-examine key aspects of the organization and ensure they are supporting, rather than inhibiting, the relationship processes your sales resources execute.

STEP 4:
Build a Sales Organization That Supports, Rather Than Inhibits, This Process
The effectiveness of an organization is enabled through its communicated strategies—the culture that exists because of its norms and beliefs, and the infrastructure that guides its operations. It is essential that these are created to support the kinds of relationships that the sales organization wants to build with its customers. What's more,

they have to be consistent with each other. Let's look at each of these elements in more detail.

Sales strategies tell members of the organization what they sell, who they sell it to, and how they do it. A formal sales strategy is required to communicate this key information and provide detail around its execution. In a recent study conducted by AchieveGlobal of leading sales organizations, many were revisiting their strategies and doing further analysis on resource allocation (segmenting the sales force against specific customer segments) and channel deployment (using distributors, e-commerce, and other methods), hoping they could establish more effectively the kinds of relationships they wanted with their clients.

Key questions to consider on sales strategy include:

- Does everyone in the sales organization have a clear and consistent understanding of the sales strategy?
- Based on the strategy, is the sales force structured against specific customer segments?
- Are the right resources being allocated to the right opportunities?
- How is the sales strategy carried out through multiple channels? (e.g. how are distributors integrated into the sales organization)

Culture describes the norms, values, and beliefs that guide how members of an organization make decisions and perform their tasks on a daily basis. Within a sales organization, culture has a critical impact on salesperson satisfaction, commitment, turnover, performance, and motivation.

In today's world, the goal of a unified strategy, culture, and infrastructure is often thwarted in the aftermath of mergers and acquisitions, or other large organizational changes, which is another critical area of focus. How do you create an atmosphere where it is easy to create the customer relationships you desire?

Key questions to consider regarding sales culture include:

- Is learning and development considered an ongoing initiative?
- Are customers at the center of all decisions?
- Do all members of the sales organization share the same selling philosophy?
- Are communication and information sharing encouraged and rewarded?
- Is there a commonly held set of beliefs and values that guide the decisions salespeople make?
- How are successes celebrated?

Infrastructure describes the tools, processes, systems, and technologies that support the sales activities. Key elements of infrastructure include processes, policies, and procedures for interacting with customers and peers, as well as the tools needed to help sales professionals focus their efforts and support their sales interactions. Over time, these elements have become increasingly complex.

Sales Strategy × Culture × Infrastructure → Organizational Effectiveness
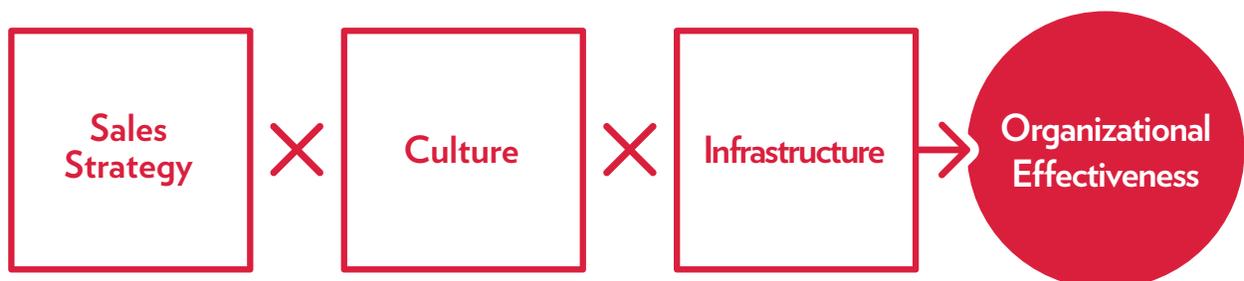
Key questions to consider regarding sales infrastructure include:

- Are there clear business planning processes (market planning, territory planning, account planning, opportunity management, sales call planning)?

- Are compensation and incentive systems aligned with the strategy?

- Do coaching and performance management systems support desired behaviors?

- How are sales force automation/CRM software tools used?

- Do salespeople need collateral, ROI calculators, and other selling tools to do their jobs?

Many organizations are in the process of trying to simplify what is often a tangled web of policies, systems, forms, and direction. Much of this can be attributed to Customer Relationship Management (CRM) or Sales Force Automation (SFA) software tools and systems. To date, these systems have not been as successful as hoped— usually because the individuals in the organization do not have the knowledge or the impetus to invest in their robust use.

Strategy, culture, and infrastructure can support or inhibit customer relationships, but they do not help build them—that crucial task belongs to the individuals within the organization. The final step results in making sure that each and every individual who has a part in the relationship process knows, cares, and is capable of performing their role.

STEP 5:
Equip Individuals To Do Their Part In Building These Relationships

Whether or not a sales organization will be able to acquire, grow, and retain the right relationships with the right customers is ultimately determined by the ability of the sales organization to leverage knowledge, attitude, and skills within each customer interaction. The final step in sales effectiveness, therefore, involves stepping back and critically examining your resources. Are your people behaving appropriately?

Knowledge can include areas such as industry knowledge (both seller and buyer industries), product knowledge (features and benefits), as well as customer knowledge (individual and organizational). Recent research shows that most organizations that have invested in a direct sales force are attempting to use a consultative selling approach to differentiate themselves in the marketplace. This kind of approach involves sales professionals attaining knowledge and expertise to the extent that they can advise a customer on a course of action—becoming, in effect, part of the customer organization.

What's more, knowledge includes an understanding of performance expectations. If you wish for your sales professionals to behave in a certain way, they have to know what you expect of them. In the day-to-day chaos of the sales world, this critical knowledge requirement can be often overlooked.

Knowledge × Attitude × Skills → Individual Effectiveness

(I KNOW) (I CARE) (I CAN) (I DO)
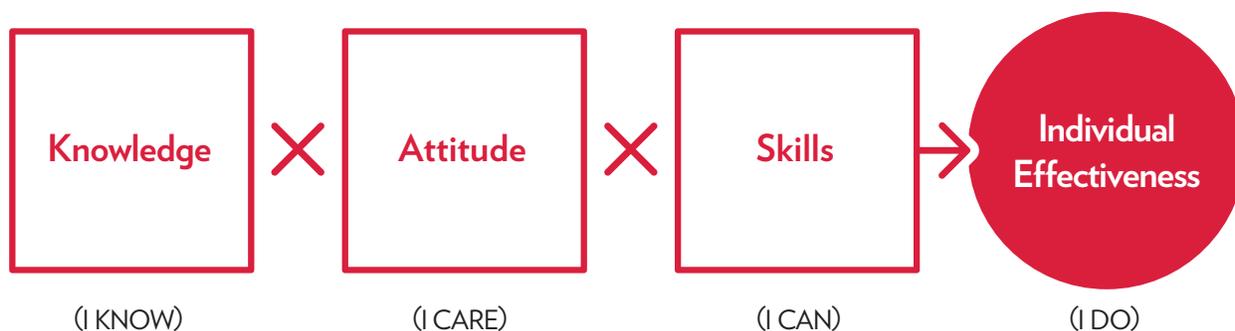
Key questions to consider regarding knowledge include:

- Do sales professionals possess an understanding of the product/service set that allows them to offer their clients value-added solution recommendations?

- Does everyone in the organization have in-depth knowledge of the business issues that impact their customer base?

- Are sales professionals able to converse around industry trends and events?

- Do all members of the sales organization understand what is expected of them within each stage of the relationship process?

- Do individuals have a working knowledge of how to operate within the organization?

Attitude describes the internal drive of the individual to succeed in their role. This involves numerous intangibles that often get characterized as 'natural' selling ability, as well as the individual's motivation. In short, attitude means whether or not the person cares enough to behave in a way that supports the kinds of customer relationships your organization is trying to build. Although you cannot teach attitude, you can certainly create a culture within which individuals feel involved; you can provide a line of sight into key strategies so that people understand the 'why' behind behavior expectations; you can provide development opportunities to improve confidence; and you can utilize reward and recognition systems that support desired behaviors.

Key questions to consider regarding attitude include:

- How would you describe the morale of your sales force?

- Do individuals approach sales activities with confidence?

- Would you describe your sales team as motivated?

- What do salespeople say when they are describing your organization? Their role? Their customers?

- Have salespeople bought in to the strategy?

Skills allow the sales professional to fulfill their role in the relationship. Key skills might include communication, leadership, sales skills, negotiations, presentation, persuasion, influencing, prospecting, and more. Skill requirements will be defined based on the role an individual plays in building the customer relationship. For example, if the sales organization's goal is to have salespeople function as a critical element of the value proposition, then a high level of selling skill is going to be required by those salespeople.

Key questions to consider regarding skills include:

- Does your sales force exhibit the behaviors needed to build the relationships you are looking for? What is missing or misaligned?

- Is skill development tied to the sales strategy? To compensation and rewards systems? To performance management systems? To coaching systems?

- How focused is learning and development on sales managers and other leaders within the organization?

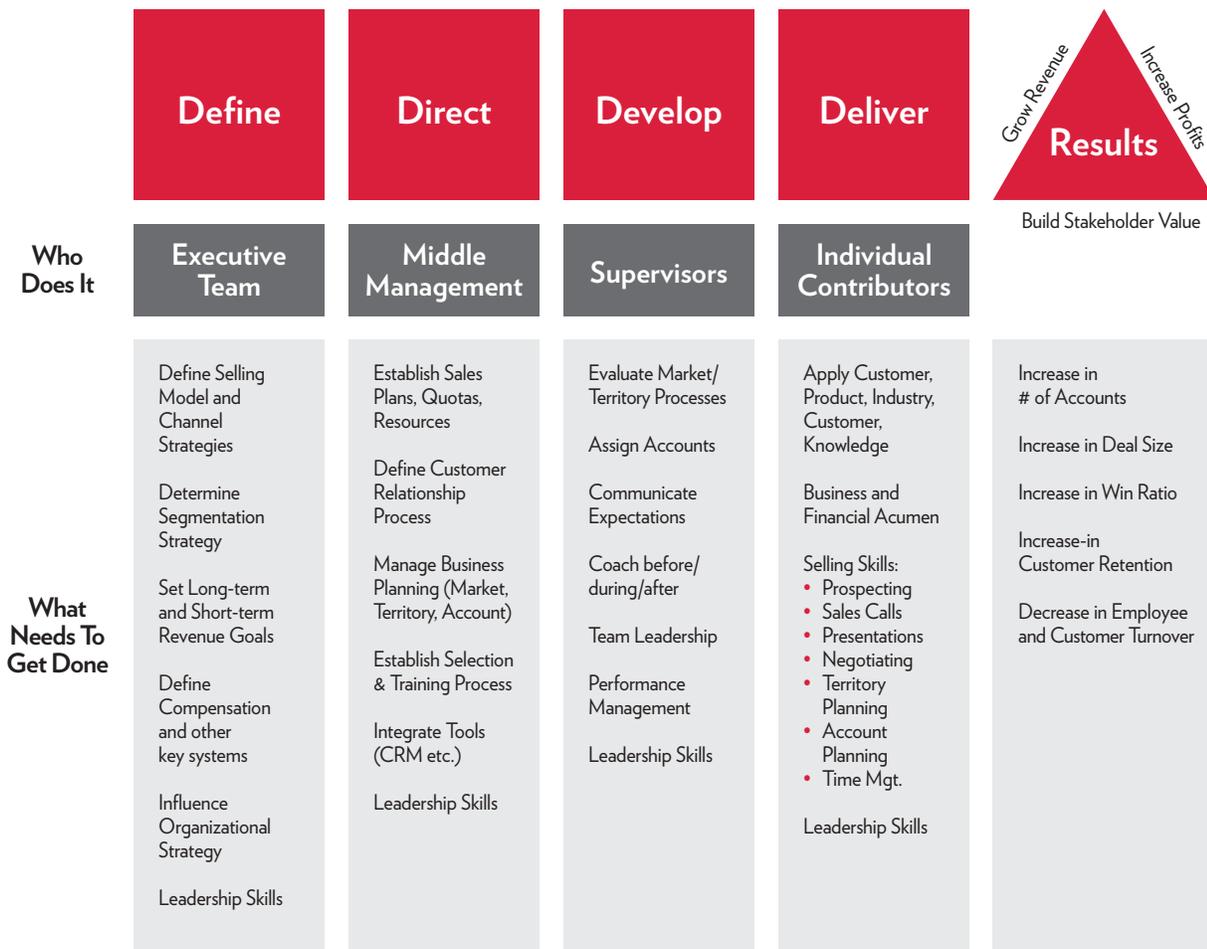- How is development viewed by the organization? Is it ongoing or only for new hires?

Many of the leading sales organizations that participated in our research are in the process of reviewing the skills sets of their critical resources and focusing on the skills required for leaders within the sales organization.

A Holistic Approach

It is important to remember that equipping individuals should involve every member of the sales organization. Although the frontline is often the most direct link to the customer, we cannot forget that it takes a range of individuals within a sales organization to acquire, develop, and maintain mutually valuable relationships. Although organizations will vary significantly, there are four key levels within a sales organization that are commonly found. The following graphic shows how each level of a sales organization works together to turn strategy into measurable sales results.

Define describes those who occupy the highest level of the selling organization. These individuals might have titles such as chief executive officer, chief operating officer, vice president of sales, etc. Their jobs involve defining the sales strategy and cascading it throughout the sales organization.
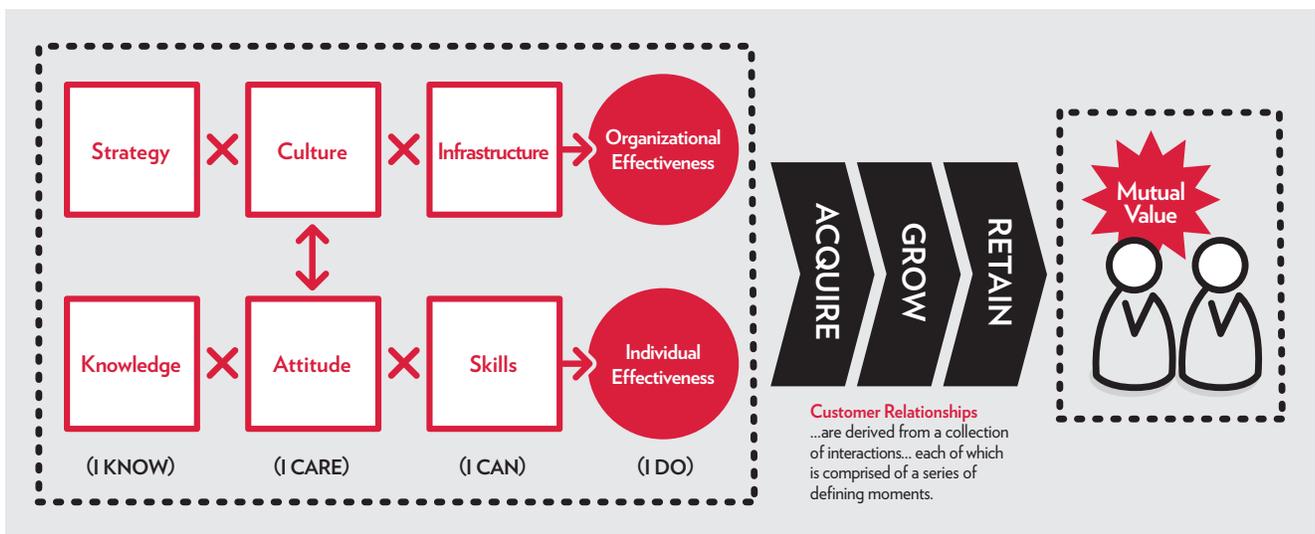
Direct level individuals are those who occupy senior positions in sales organizations, such as divisional or regional vice president. They are tasked with communicating the strategy through-out their organizations, as well as directing sales organization processes to ensure strategy execution.

	Define	Direct	Develop	Deliver	Results
					Grow Revenue / Increase Profits / Build Stakeholder Value
Who Does It	Executive Team	Middle Management	Supervisors	Individual Contributors	
What Needs To Get Done	Define Selling Model and Channel Strategies Determine Segmentation Strategy Set Long-term and Short-term Revenue Goals Define Compensation and other key systems Influence Organizational Strategy Leadership Skills	Establish Sales Plans, Quotas, Resources Define Customer Relationship Process Manage Business Planning (Market, Territory, Account) Establish Selection & Training Process Integrate Tools (CRM etc.) Leadership Skills	Evaluate Market/ Territory Processes Assign Accounts Communicate Expectations Coach before/ during/after Team Leadership Performance Management Leadership Skills	Apply Customer, Product, Industry, Customer, Knowledge Business and Financial Acumen Selling Skills: • Prospecting • Sales Calls • Presentations • Negotiating • Territory Planning • Account Planning • Time Mgt. Leadership Skills	Increase in # of Accounts Increase in Deal Size Increase in Win Ratio Increase-in Customer Retention Decrease in Employee and Customer Turnover

Develop describes sales management. Sales managers are responsible for acting as coach, communicator, and strategist to develop business within their territories, as well as develop the abilities of their sales teams. This is typically the most critical role in the organization and yet, unfortunately, is commonly overlooked when it comes to development. As a result, most organizations find behavior gaps within their sales management teams that end up derailing their sales strategies.

Deliver describes frontline salespeople, service representatives, technicians, and more who are responsible for ultimately acquiring, growing, and retaining customer relationships.

Each resource mentioned above requires a specific set of knowledge, attitudes, and skills to do their part in building customer relationships.

| Strategy | × | Culture | × | Infrastructure | → | Organizational Effectiveness |

| Knowledge | × | Attitude | × | Skills | → | Individual Effectiveness |

(I KNOW)   (I CARE)   (I CAN)   (I DO)

ACQUIRE GROW RETAIN

Mutual Value

Customer Relationships
...are derived from a collection of interactions... each of which is comprised of a series of defining moments.

Conclusion

Although the path to sales effectiveness is fraught with challenges, it can be traversed with flexibility. As explained earlier, sales effectiveness begins and ends with the customer. And, as we all know, customers change, as do their needs and expectations. So, don't fall into the trap of thinking that you will ever achieve an "end state." Regularly investigate and adjust your strategy, foster your culture, and examine your infrastructure. Ceaselessly develop and monitor the knowledge, attitudes, and skills demonstrated by your sales teams. Only through constant attention to these critical factors will you be able to generate the ongoing organizational and individual effectiveness needed to acquire, grow, and retain the kinds of customer relationships that yield mutual value.

About the Authors

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Seleste Lunsford is an Executive Consultant for AchieveGlobal, based in Tampa, Florida.

In this capacity, she designs and executes performance consulting interventions. Representative engagements include:

- Organizational assessment - identifying, designing and prioritizing change initiatives based on future-state visioning and current-state analysis

- Development of coaching systems - creating the tools and processes needed to embed a coaching culture within results-oriented organizations

- Measurement and evaluation - developing strategies and executing measurement methodologies to monitor leading and lagging performance indicators

- Implementation support – clarifying strategies, building communications and creating reinforcement plans to support learning interventions

- Behavioral needs analysis - outlining competencies needed for role success and identifying and prioritizing gaps against those standards

Her areas of expertise include customer management and sales effectiveness.

Ms. Lunsford works with clients in a variety of business models and industries including: banking, insurance, manufacturing, federal government, telecommunications and more. Recent clients include: MasterCard International, The United States Navy, The South Financial Group, AAA, Travelers Insurance, NTELOS, AllianceBernstein, Office Depot, and Convergys.

In prior positions, Ms. Lunsford managed a $35 million portfolio of sales effectiveness products and services, leading all market analysis, product development, and sales force education activities. She has also worked as a Senior Consultant in the payments industry, helping global banks manage customer experiences over multiple delivery channels.

Seleste has contributed to numerous articles in a variety of publications, including *Selling Power, Entrepreneur Magazine, DestinationCRM, Chief Learning Officer, HR.com, PharmaVoice* and more. She is also a regular presenter at global business conferences on sales performance trends. She has co-authored the books *Secrets of Top Performing Salespeople* (McGraw Hill 2003) and *Strategies That Win Sales* (Dearborn 2005).

Ms. Lunsford earned an MBA degree from Florida State University, where she also earned a B.S. degree in Physics.

About AchieveGlobal

In the 21st century, the level of human skills will determine organization success. AchieveGlobal provides exceptional development in interpersonal business skills giving companies the workforce they need for business results. Located in over 40 countries, we offer multi-language, learning-based solutions—globally, regionally, and locally.

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