

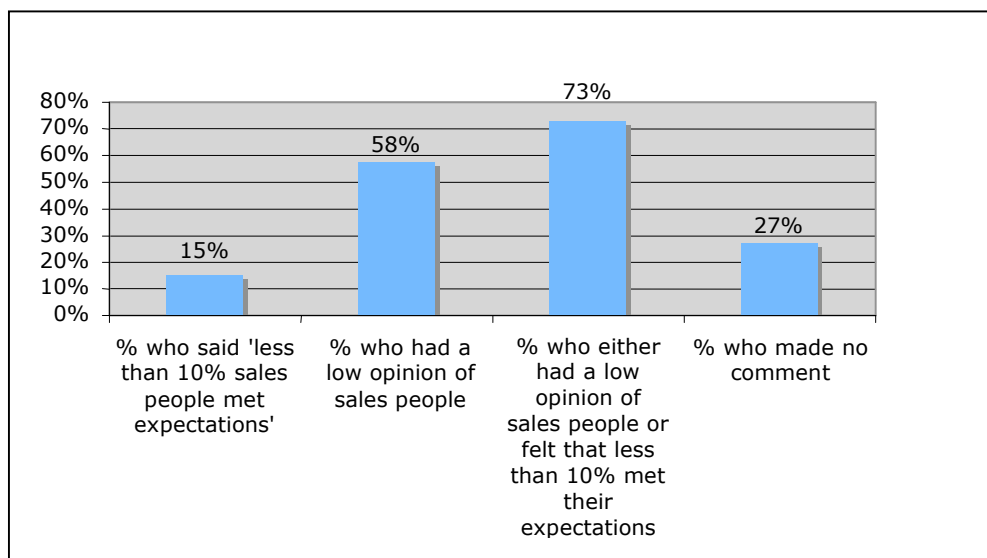
Are the millions invested in the recruitment and development of sales people producing the best returns?

by Dr Philip Squire CEO Consalia

The burning platform – improving sales effectiveness

New insights into how to sustain competitive advantage at the point of sale have important implications for recruitment, training and development.

Our recently completed global doctoral research study provides empiric evidence that most customers feel that sales people fail to meet their expectations in terms of their personal sales approach. See table below.



So what might be the reasons? Part of our enquiry investigated existing models for research into personal sales effectiveness and their outcomes.

Our Research Approach – a client centric perspective

Two models for assessing the relational performance of sales people are currently used by academics. These are defined as Adaptive Selling, and Customer-Orientated Selling. The Adaptive model emerged from research conducted by Weitz in 1978. The concept of Customer-Orientated Selling was developed by Saxe and Weitz in 1982. Both these models evaluate techniques of selling and are based on the perspectives of sales people. This approach was useful in identifying certain techniques being more useful than others, but did not explain why so few sales people failed to meet customer expectations. By contrast, our research focussed on customer's perspectives of personal sales effectiveness. Its findings provide new insights into how sales people can improve sales effectiveness.

We found customers evaluated sales performance according to certain values reflected through behaviour or non behaviour.

The tables below provide a summary of the values, positive and negative, that customers use to judge a sales person's performance.

Differentiating/Outstanding Values	Drives behaviour that can be seen as being:
1. Tactful Audacity	Daring, bold, perceptive, understanding, challenging, unconventional, enthusiastic
2. Proactive Creativity	Strategic, forward thinking, innovative, creative, reflective, above and beyond
3. Client-Centricity	Interested, investigative, knowledgeable, dedicated, passionate, accountable, attentive
4. Authenticity	Honest, credible, unpretentious, sincere, ethical, trustworthy, dependable

Limiting/Negative Values	Drives behaviour that can be seen as being:
1. Ego-Centricity	Motivated by self-interest, arrogant, individualistic, opinionated, controlling
2. Manipulation	Pushy, insincere, pressurising, dishonest, glib, annoying
3. Complacency	Egotistical, self-satisfied, inattentive, unconcerned, lazy, unoriginal
4. Short-Sighted	Reactive, lacking foresight, lacking accountability, disinterest, unstrategic, unknowledgeable

Hewlett Packard applied the positive outstanding values in an effort to win more large deals. From 2006 – 2008 selected account teams used the approach in a Consalia development programme called Winning Value Proposition (WVP). Their performance was compared to account teams who were not immersed in the values based approach. A total of \$4.2 billion dollars was closed on deals where the values-based approach was applied. At a 70% conversion rate, we found there is more than three times the chance of winning deals using this approach when compared to deals that did not use the approach. Michael Hurley, Vice President at Hewlett Packard, commented, “My team needed to convert more sales proposals into wins, get more pitching invitations and raise HP’s profile so that it would be invited to bid for deals over \$500 million. I also needed to cut the cost of bids – and I needed results within a year. As a result of collaborating with Consalia on this values based approach, all these objectives were met.”

Similar results with clients in the professional services sector and further research in the financial services sector have further validated the findings.

Defining Values– An Extrospective versus Introspective Approach

Most organisations define their core values. However, this is often as a result of an 'introspective' approach where members of staff are asked to consider what they believe to be the core values of the company. Often these values describe the desire for a company to be client centric yet few companies live this value by involving their customers in the process.

Standard Chartered Bank, arguably one of the most successful banks to have weathered the recent financial crisis, developed their core values using an extrospective approach. They interviewed consumers and businesses, then based on this research they defined their values as Trustworthy, Responsive, Creative, Courage, and International. These values are remarkably similar (with the exception of International) to those that emerged from our research.

We know that by living the outstanding values organisations and sales people can improve their competitive advantage. We consider now how these values can be sustained over time.

The use of the term 'values' in a sales environment is very alien and even counter intuitive. As one sales person said, 'is not the goal of sales people to manipulate conversation, massage the truth, oversell, anything to win business?' While this approach may produce short-term results, it's only by having the right mindset that long term sustainable results will be achieved.

How to embed a values approach for sustainable performance

Mindset drives behaviour. If a sales organisation does not have the right mindset then genuine behaviours will not follow. It does not matter how talented someone is - if the mindset is wrong they won't be able to fulfil all aspects of their role effectively.

Mindset reflects what we believe in and sets out a number of personal policies that govern our approach. Personal policies are helpful in guiding actions and setting expectations. Mindset is reflected in the way we behave and governs how we use our time. Treating the Values as Mindsets and embedding these in the organisation will ensure the values are lived.

Implications for HR and learning organisations – are competency models effective?

The research has far reaching implications for HR and Learning organisations. If this hypothesis is right, approaches to sales competency assessment, sales recruitment and development must change. Competency frameworks are often used to identify core skills for job roles for recruitment and development purposes.

For example, one IT company's approach to recruitment assessment centres and development centres, for 6,000 of their sales force, showed no correlation to the values of 'Proactive Creativity' and 'Tactful Audacity'. Their competency model did not include behaviours that supported these values. No wonder their customers complained that 'they were not bringing sufficient innovation and transformation to the table'.

Competence is no guarantee for action. Mindsets result in action. A strong Mindset will naturally develop new skills or make the acquisition of new skills easier and less costly – something that most HR departments might be interested in.

To explore and debate these ideas in more detail join us on April 27th 2010.

Consalia is co sponsoring a Forum at the London Stock Exchange with Middlesex University and Digby Morgan. The Forum 'Sales Transformation; Changing Mindsets' brings together senior level executives who lead buying and selling organisations, senior HR leaders, universities and specialised academics to debate how to raise standards of professionalism in sales.

For more information on the Forum please contact the Business Development Team at Middlesex University on +44 208 411 5050 or download the Forum Brochure at www.consalia.com/news.htm