

The Common Barriers to Peak Sales Performance And What You Can Do to Overcome Them

Everyone wants their salespeople to be more productive. But if your sales force is already giving 100 percent, how can you possibly expect more? The truth is that your salespeople can do more — a lot more — and they won't even have to work longer or harder.

The Industrial Performance Group has identified five common barriers that keep salespeople from achieving peak levels of sales performance.

But more importantly, we've also identified what you can do to overcome them.





Increase revenue and profits

Despite all the hype about new business models and emerging technologies, the basics of selling have remained much the same for the past 50 years. Salespeople need to find prospects, identify their needs, offer solutions and then close the sale.

But when salespeople don't have enough time to focus on these basics, revenue and profits suffer.

Our study of 1,502 salespeople found that companies hold their salespeople back, through various company policies and work processes that eat up the sales force's time.

On average, salespeople in 17 industries in North American manufacturing and distribution reported that they spend just 38 percent of their time selling.

National Average

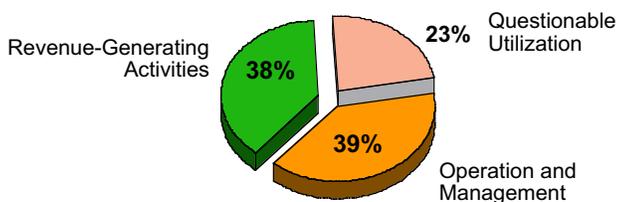


Figure 1

What's even more shocking is that salespeople spend 23 percent of their time — nearly three months out of every year — dealing with problems and mistakes, searching for information and expediting orders. We refer to this as the "questionable utilization" of sales resources.

Freeing up salespeople so they have more time to sell may seem like an amazingly obvious way to increase revenue and profits. However, our study revealed that it's a solution that only a few management teams have paid much attention to.

In the course of conducting our study, we identified a small group of salespeople who we called "peak performers."

Peak Sales Performers

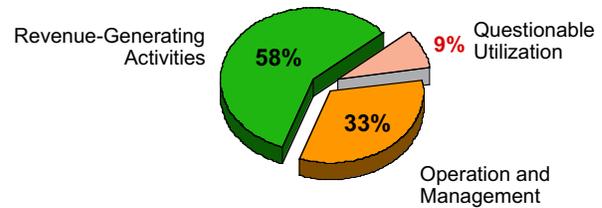


Figure 2

These salespeople spend 20 percent more time selling than the average salesperson. This amounts to an additional 11 weeks out of every year.

What's interesting is that these peak performers are not working longer and harder than their average counterparts. In fact, they're working basically the same amount of time each week.

What sets them apart? Where does the additional 20 percent — 11 weeks a year — in sales time come from?

Quite simply, peak sales performers have more time to sell because they are not as constrained by five common barriers that hinder the sales performance of most salespeople.

The ~~5~~ Common Barriers to Peak Sales Performance

1. Inefficient and outdated work processes
2. Lack of focus
3. Too much or too little information
4. Outdated sales training
5. Inability to execute

Manufacturers and distributors could achieve double-digit growth with little risk and low cost by identifying which of these five common barriers are keeping their salespeople from becoming peak performers.

The remainder of this document takes a closer look at these five common barriers that keep salespeople from peak sales performance and, more importantly, the actions you can take to overcome them.



Inefficient and outdated work processes

All work in the sales/distribution channel is completed through work processes. A work process is a set of tasks that produces an outcome: placing an order, scheduling a delivery, invoicing, etc. A company may perform hundreds of work processes as a product moves from its point of creation to final customers.

But over time, work processes tend to become inefficient and outdated. While conditions change, the process stays the same. Inefficient work processes result in problems and mistakes that create unnecessary work for salespeople.

Some may claim that one of the salesperson's primary roles is to deal with these issues. It's true that, in its own strange way, all that heroic firefighting can build customer loyalty.

But imagine how much better your sales force's time would be spent if they could build relationships by addressing the customer's own problems, rather than solving problems and mistakes caused by the very company whose products they're trying sell.

Taking Action

To overcome this barrier we suggest that you:

1. Identify the problems and mistakes that occur in your sales/distribution channel over and over ... and over.
2. Identify the processes most closely related to these problems and mistakes.
3. Map out these processes, using a flowchart or other method.
4. Get the people close to these processes involved in developing and implementing a solution.



Lack of focus

Most manufacturers and distributors would agree that a business must grow to remain healthy and viable.

Compared to average salespeople, peak sales performers spend twice as much time prospecting for new customers and analyzing customer needs.

That's right — twice as much time cold calling, identifying new companies and contacts, and working to understand their customers' needs.

Peak sales performers seem to realize that no matter how successful they become, they can never stop prospecting.

Unfortunately, most salespeople are not nearly focused enough on either of these activities. In fact, our study shows that average salespeople spend only eight percent of their time prospecting and qualifying potential new customers. And they spend just six percent of their time working to understand the needs of customers and prospects.

Taking Action

To overcome this barrier we suggest that you:

1. Determine why your salespeople aren't doing more prospecting.
2. Identify the most cost effective way to generate high-quality sales leads.
3. Take action to free up your salespeople so they have time to prospect.



Too little or too much information

Salespeople carry an expanding arsenal of communication technologies designed to help them access and share information with customers and others in the sales/distribution channel. These devices also make it easier for customers and others to quickly contact the salespeople.

But has more communication technology made it easier for salespeople to focus on their primary function: acquiring and keeping customers?

Our survey shows that salespeople spend an average of 17 percent of their time searching for information and responding to e-mail and other text messages. While this may not seem like an unusually large amount of time, it represents more than twice the amount of time they spend prospecting and qualifying potential new customers.

And while today's salespeople are much more connected, they still don't necessarily have the crucial information they need. Salespeople often have difficulty finding basic information, such as demand forecasting data, product availability, pricing, delivery dates and order tracking information.

Almost all problems and mistakes in the sales/distribution channel can be traced to inadequate or inaccurate information. When these problems occur, salespeople are forced to stop selling and find out why the right product did not make it to the right place at the right time with the right paperwork.

Taking Action

To overcome this barrier we suggest that you:

1. Identify the information your salespeople have difficulty accessing, and determine why.

2. Determine whether the information in e-mail and text messages helps salespeople increase sales volume or only consumes valuable time.



Outdated sales training

Today's customers are more price-sensitive than ever before. As a result, many manufacturers and distributors have seen their margins become razor-thin.

In this price-focused environment, salespeople must justify — in terms of dollars and cents — the economic value customers will derive from their product offering. If salespeople lack this ability, they leave the customer no choice but to view their product as just another commodity.

Without a clear understanding of the true value of your product, customers will demand lower pricing, choose an alternative offer or decide not to purchase at all. The sad reality is that many salespeople cannot justify a higher asking price simply because they don't know how.

To find out if this is the case with your sales force, review how many sales during the past six months were taken at a discount or included some form of extra incentive, such as extended terms or a freight allowance.

The good news is that you probably are in fact adding value. You just need to start measuring it and communicating it to your customers

Taking Action

To overcome this barrier we suggest that you:

1. Determine whether the sales training you provide is appropriate for selling to today's price-sensitive customers.
2. Identify and quantify — in terms of dollars and cents — the value customers derive from doing business with you.
2. Communicate this information to your customers.



Inability to execute

The fifth barrier to peak sales performance is perhaps the biggest of them all: an organization's inability to take this information and drive it down into the day-to-day mechanics of their business.

At the heart of this inability to execute lies a way of thinking called "swinging for the fences." As humans, we have an instinctive disdain for slow, deliberate solutions that produce results somewhere in the future.

We're biased towards quick fixes, and at many companies, this mentality is further fueled by intense pressure for quarterly results.

Managers prefer to think of sales performance in terms of home runs, big-dollar breakthroughs, mega-mergers or the next world-changing technology. But as the perceived reward increases, so does the risk.

Home runs might provide those elusive big sales numbers, but they're rare and unpredictable. When you swing for the fences, you tend to strike out a lot and after a while, you stop swinging altogether because the risk is too great.

In reality, profitable growth comes from giving your salespeople more time to sell, rather than from the all-too-infrequent home run. To achieve profitable growth, the first thing you need to change is your mind-set.

The Industrial Performance Group has developed an on-line calculator where you can see how even small improvements can impact your financial results, based on your yearly revenue and number of salespeople. To access this tool, visit:

www.induspergrp.com/calculator



Taking Action

To overcome this barrier we suggest that you:

1. Stop looking for the silver bullet that will give you the elusive home run.
2. Identify which of these 5 Common Barriers to Peak Sales Performance are holding back your salespeople.
3. Focus on the little things that you can do, on a day-to-day basis, to free up your salespeople's time.



Putting this information to work

Peak Sales Performance Work Session

We have been helping manufacturers, reps and distributors improve sales performance and profitability for the past 14 years.

Building on this experience, we have developed a facilitator-led work session to get you started down the road to peak sales performance.

During this informative and interactive work session, you will discover what you can do on a day-to-day basis to overcome these 5 common barriers.

This work session can be hosted by a manufacturer, a rep firm or a distributor.

To learn more, call us at 800-867-2778 or e-mail us at info@induspergrp.com.



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