

Sales Manager's BULLETIN

Information and
Ideas for Today's
Sales Managers.

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Five Steps to Quality Sales

Until the 1980s, the traditional U.S. business wisdom was "More is better." Sales departments pursued this approach aggressively, trying to sell as much as they could to as many different customers as they could. The strategy worked well in most cases—but as with many other facets of sales and marketing, the times are changing.

The emphasis on quality that began in the late 1970s has been having a profound effect on traditional sales philosophy. Today's successful sales departments are concentrating on the *quality* as well as the quantity of orders.

"Sales quality has become a real issue, especially in the past three or four years," reports R. Bradley Hill, senior manager at Ernst & Young, LLP (Chicago).

A Numbers Game

Research conducted by Hill and his colleagues found that very few companies actually measured sales quality. They focused primarily on measuring sales volume and revenue.

Certainly, volume and revenue *are* important. In fact, they are still the ultimate goals. What has changed is the way that companies need to go about *achieving* their volume and revenue goals. Although the "shove it down their throat" and the "dialing for dollars" approaches might have worked well through the 1970s and into the early 1980s, the most successful sales organizations today are those that focus on sales quality as a way to build business.

➤ **The Reason** ➤ For the most part, customers *demand* quality. If they don't get it from one supplier, they'll move their business to another.

Five Steps to Success

Hill has identified five steps he believes that sales organizations must take in order to launch an emphasis on quality in sales while still supporting the quantity initiative:

① **Design and implement a rigorous sales process.** According to Hill, a sales process is a series of activities, communication networks, and employee involvement systems that efficiently digest evolving customer needs and enable the company to respond quickly to those needs.

"It is the effectiveness of this process that will drive the company's ability to meet customer demands and subsequently generate higher sales levels," Hill asserts.

In a word, this new sales process should be focused on "relationship selling." In many organizations, relationship selling can be accomplished by...

- **Reducing the number of accounts** for which each salesperson is responsible.
- **Encouraging salespeople to create strategic alliances** with their key customers.

"Growth in sales then comes about as a result of more business with existing accounts," says Hill.

② **Train salespeople in the philosophy and**

components of sales quality. One of the best ways to design your training program, says Hill, is to identify the characteristics of your most successful salespeople—those who do the best job of providing sales quality.

“Personality traits do affect how successful salespeople are,” he admits. “But it is still possible to identify certain characteristics that can be learned.”

For example: A salesperson succeeds because of his or her ability to help a number of individuals in a customer organization come to agreement on a particular product or service. You’d probably want to train the rest of your sales force in how to conduct this kind of negotiation and achieve this degree of intracompany cooperation.

③ **Manage with quality in mind.** “Sales quality is a result of an organization’s commitment to manage its salespeople with quality as the goal,” states Hill.

He recommends two specific ways to build a strong management program that’s conducive to quality sales:

- **Reduce unnecessary layers of sales management.** Allow salespeople more direct access to your company’s decision and policy makers.
- **As much as possible, turn salespeople into managers themselves—account managers.** Give them the freedom to make as many decisions as possible that affect service and sales quality for the customer.

④ **Compensate your sales force with a focus on salary rather than incentives** (commissions and bonuses). This is certainly the most controversial

shift. But it does have a strong proponent—none other than the late W. Edwards Deming.

“Deming firmly believed that any kind of individual incentives undermined total company performance,” emphasizes Hill.

If one believes Deming, then, it is theoretically impossible to achieve true quality in sales when salespeople have access to incentive compensation above and beyond salary.

“Completely eliminating sales incentives is no easy task,” Hill concedes. “In fact, Sales is the toughest area in which to take incentives out of pay.” So how can you achieve this goal? Slowly and carefully, Hill advises. He offers these tips:

- **Begin by providing a higher base salary,** where a greater percentage of total possible pay is in the form of salary.
- **Increase salespeople’s base salary as their performance improves** to reflect the higher expected contribution—and to reward them for sustained performance at that level.
- **Compute base salary largely on the basis of sales quality.** Add a percentage for volume and/or revenue. This approach will encourage a stronger focus on quality over quantity.
- **Ask your customers.** Customers are one of the best sources of information on a salesperson’s sales quality. Hill recommends surveying customers and using their input as an important part of the perfor-

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**“SALES QUALITY IS
A RESULT OF AN
ORGANIZATION’S
COMMITMENT TO
MANAGE ITS
SALESPEOPLE WITH
QUALITY AS
THE GOAL.”**

