

## Is Your Sales Force Adaptable?

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# Is Your Sales Force Adaptable?

Here's a five-step plan for routinely revamping a sales team.

by Edward Landry, Thomas Ripsam, and Bart Sayer

**A**s the face of a company and the primary source of its revenues, the sales force is among an organization's most critical assets. And the importance of its role is only growing as competition intensifies, products commoditize, and companies focus more on organic growth.

Yet, it is becoming increasingly difficult to maintain a high-performing sales force, especially in industries or companies undergoing significant change. With constant shocks such as internal strategic shifts, deregulation, globalization, and new competitors' tactics, many sales forces have lost track of customer behavior and best practices for succeeding in their industries. The rapid consolidation of the retail landscape, for instance, has left sales forces at many consumer goods companies unprepared to respond to changing circumstances, such as the emergence of big-box retailers and the power they are able to exert over the value chain. That puts the affected companies at a serious disadvantage, because their sales forces should be the first line of defense in recognizing and responding to the needs of these big-box retailers.

Developing a so-called adaptive sales force that can quickly and effectively address unexpected detours in the marketplace not only helps to protect existing revenue, it also enables a company to unlock additional

growth, increase sales productivity, and improve return on investment (ROI). We have seen companies that have embraced this strategy reduce head count by 10 to 20 percent, while increasing yield by 10 to 15 percent.

Despite these benefits, few companies have learned how to get the most out of their sales forces. It's not that these companies don't recognize the centrality of the function. But too often, organizations treat sales force concerns as isolated issues, addressing them one customer or one salesperson at a time. Needed instead is a systematic approach that looks at the linkages among all of the sales force's roles and how they can best be leveraged.

We have developed a five-step process to implement such an approach, but before we delve into the specifics, there are two critical points to keep in mind. First, companies should realize that in order to play the game well, they must keep their eyes on the customer. A critical element of this perspective involves providing salespeople with the tools to capture relevant and meaningful insights and establishing the right processes to bring the sales force closer to the customer. Ultimately, every change must be evaluated in light of its impact on the customer.

Second, don't take a piecemeal approach to the process. These five steps are interrelated and tackling

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just one or two and not the others can lead to missteps. For instance, a company that redefines its sales approach without giving its people the tools to support the new approach can find itself in a worse position than if it had done nothing at all.

**Step 1: Develop in-depth customer profiles.** In other words, address the questions, “What does the customer care about most?” and “Who are the key decision makers?” in a way that provides actionable information. Although many companies gather information about their customers, they do not always use it to generate value. Furthermore, they fail to update this information on an ongoing basis and adjust their sales strategy accordingly to allow for dynamic customer needs and buying behaviors.

Sales forces must engage with customers to establish a clear breakdown of prioritized customer needs. This detailed knowledge of requirements will help in designing the appropriate deployment strategy and determining what skills the sales force will need to implement it. For example, one consumer goods company produced a list of 10 needs that were of primary importance to a big-box retailer and, based on this knowledge, successfully tackled in-store execution, marketing support, and corporate buyer support as the three areas to focus on when working with the retailer.

It’s equally critical to identify the current crop of key decision makers within customers’ companies, a group that may change as customers alter purchasing and decision-making processes. For instance, CIOs are now often involved in decisions about investments in new technologies, whereas decision making used to be less centralized and middle management may have been authorized to make such investments. When a compa-

ny fails to follow through on this, its sales force often spends too much time with the wrong people.

**Step 2: Define the sales approach and sales representative specialization.** The information gathered in Step 1 can also be used to answer the questions: “What sales approach works best on each customer?” and “What level of expertise does the sales force need?” The answers to these questions ultimately determine how to equip the sales force to engage in productive interactions with customers. For instance, a company purchasing expensive technology products, like ERP systems, will likely require considerable advice and attention throughout the sale. A retail customer, by contrast, may want some basic “block-and-tackle” merchandising help, for example, in setting up a point-of-sale display or moving inventory onto the floor.

The choice of sales approach then dictates which skills sales reps must have — that is, expertise in the product line (useful for complex items); expertise in customer need (for example, financial-services sales reps may need to be fluent in the distinct concerns of a socioeconomic segment); or expertise in a particular function (for managing a certain aspect of the sales process, such as generating leads or closing the sale). However, specializations are not mutually exclusive and reps may require more than one set of skills to satisfy customers. In addition, like all responses to customer preferences, adjusting the sales approach is a continuous process, one that must evolve as customers’ needs change, companies go after new customers, and companies introduce new products and services.

**Step 3: Establish the structure and management model.** To successfully implement these adaptive sales force initiatives, companies must decide which “organi-

zational axes” the internal structure should be designed around. For example, if it were decided that sales reps should focus on a product line, then it is likely that sales reps would report to a product manager. Of course, complications arise when there are multiple specializations and therefore multiple axes. In those cases, a “matrix structure” comes into play, in which each sales rep would report to more than one boss — say, a regional manager and a product manager.

Once the basic structure is determined, the number of management levels and direct reports per manager should be chosen. More management levels permit increased specialization and enhanced managerial supervision, but also generate greater organizational complexity and increased costs. Similarly, although a higher number of direct reports per manager keeps overhead low, it also makes it more difficult for managers to give individual salespeople the attention they need.

Finally, in determining how to optimize the sales function, management must also define the working relationships between the sales force and other functions, such as marketing, supply chain, finance, and R&D. The sales function will operate more smoothly if these interdependencies are built into the system rather than dealt with on an ad hoc basis.

**Step 4: Create detailed call standards and strategies.** Determining which tasks sales reps are expected to perform and how much time should be allotted to each one is often a stumbling block in developing an adaptive sales force. One consumer goods company realized during the implementation of this step that sales reps were spending just 41 percent of their time actually selling, well short of the industry standard. By initiating a series of corrective measures, including drafting marketing

templates to cut back sales pitch preparation time and offloading low-value tasks to temporary workers, the company was able to boost actual selling time to 60 percent, well in keeping with best-in-class benchmarks, and generate significant incremental revenue.

It’s best to develop a detailed, holistic list of required sales rep activities with timing benchmarks for individual tasks (from pre-call prep to record keeping and follow-up) garnered from interviews and surveys with internal and external sales experts. Besides guiding salespeople, benchmarks will provide a mechanism for tracking sales activity and sales rep effectiveness.

**Step 5: Match resources to the new organization.** Ultimately, maximizing a sales force’s productivity is a function of matching the size and configuration of the group as well as the resources backing it to the revised call standards and new sales strategies. It is important to note that this exercise requires a company to identify both the right number of sales reps and the right mix of resources. The latter is an increasingly important factor as companies try to economically deliver more customized product and service offerings.

Equally critical is ensuring that the company has the right talent to successfully handle the tasks assigned to the sales force, which requires a structured people-selection process matching job requirements to the skills of the existing sales force. This type of assessment helps sales force management evaluate the skills of the existing force and understand which positions need to be filled from the outside. It also enables management to identify future training requirements for the reps that will continue in their current jobs or fill new positions within the revamped sales organization. For an individual rep, this could mean developing deeper knowledge of a

product line, acquiring different client accounts, or focusing on one aspect of the sales process. This process is not necessarily easy to execute, but there simply is no substitute for having the right talent in the organization.

### Never the End of the Line

When implementing these steps, remember that adaptation is a constant. Given the challenges of creating an adaptive sales force, it's tempting for companies to treat it as a singular event to be undertaken only when the company's growth or market share is threatened. It's important, however, to measure and respond to customers' ever-changing needs with some degree of regularity and sustained involvement from senior management. Indeed, as many companies are finding out, failure to match the sales force with customer requirements can be a dangerous oversight. +

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## Resources

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Booz Allen Hamilton's Organizational DNA Web site: An online resource with further information on effective organizational structure. [www.orgdna.com/](http://www.orgdna.com/)

Forum Web site: An online management resource with numerous short articles on sales force effectiveness. [www.forum.com/sales\\_force\\_effectiveness.aspx](http://www.forum.com/sales_force_effectiveness.aspx)

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