HOW TO BREAK OUT OF A SALES SLUMP AND GET BACK ON TOP
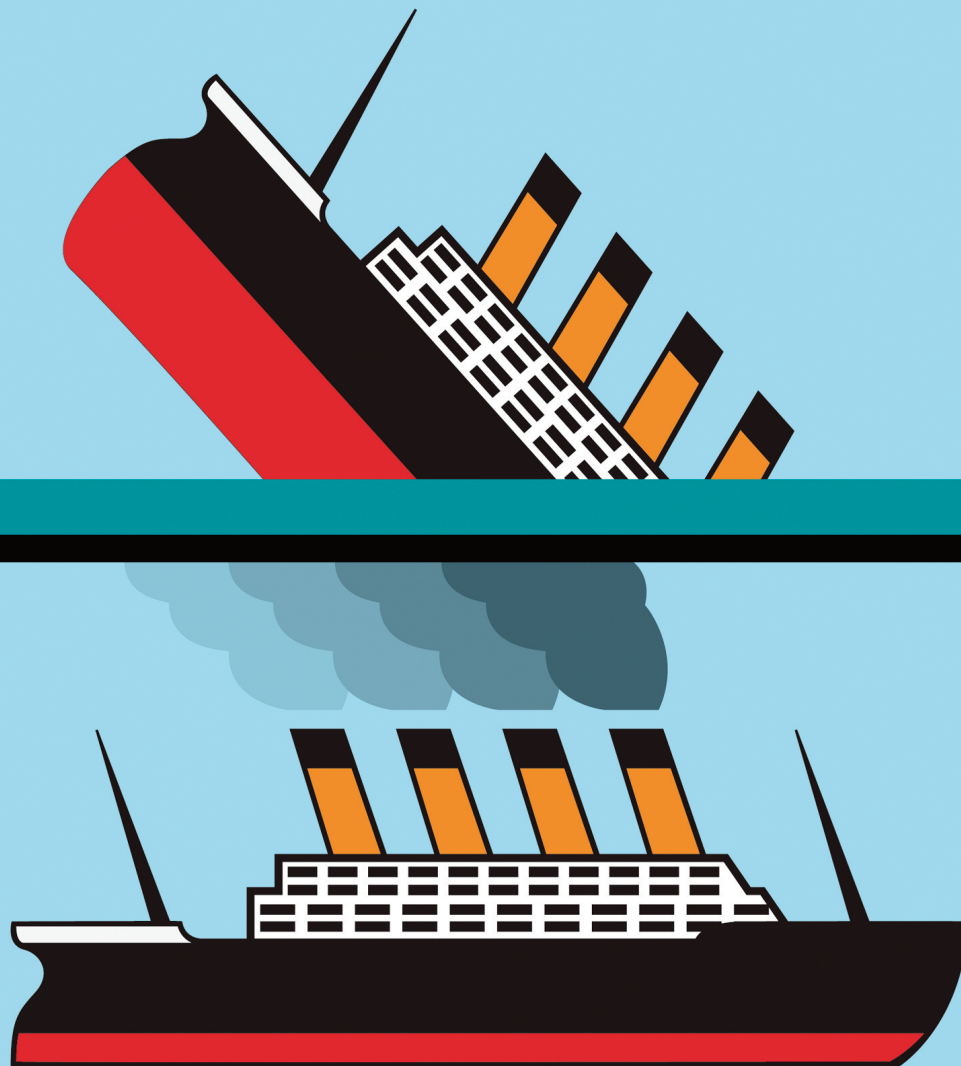
Which boat are YOU in?

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Which boat are YOU in?

You'd think in today's economy it would be smooth sailing for every company out there. But, that isn't exactly the case, is it?

I began my research for this paper by looking at the percentage of salespeople and companies who aren't hitting their sales goals. A lot of data exists about reps performing below quota. Estimates of salespeople failing to hit their goals cluster in a range from 45% to 52%.

When it comes to companies (as opposed to individual reps) that are not on target to hit their sales-revenue goals, the figures become much sketchier. From what I see, it appears that about 30% of companies admit they are behind. We can safely assume that's a low-end estimate because, after all, who wants to advertise their own failures? The Wall Street Journal talks routinely about public companies that underperform a lot more often than this. But even if the real figure is "only" around 30%, it's a problem well worth tackling.

45% to 52% of salespeople and 30% of companies fail to hit goals.

There's lots of crappy advice out there!

The next phase of my research was to take a deep dive into expert recommendations for solutions to a sales slump. I read at least a hundred articles, many from well-known authorities on sales development. I came away thinking, "Houston, we've got a problem."

What I found was a conglomeration of superficial advice for breaking out of a slump. Most of the advisors offer numbered lists of recommendations. There appears to be a general belief that articles or white papers don't get read unless they have a specific number of ideas to share: 10 Ways to _____, 7 Steps for ___, 23 Hacks That Can _____. Almost always, these "number papers" are predictably weak on content.

Also useless are the articles full of Do's and Don'ts: Do something. Do more of it. Keep doing it. Don't panic. Don't get down in the dumps. Don't quit. I fail to see how these are helpful solutions to sales slumps.

One entire genre of advice about ending a slump consists of ideas that seem drawn from self-help shows on daytime TV. Listen to music. Take a vacation. Eat right. Exercise. Vent. Reward yourself. Pet your dog. (Yes, 'pet your dog" was actually someone's advice for breaking out of a sales slump.)

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One author tried to tell me, "There's No Such Thing as a Sales Slump." I have to admit; the title got my attention. But, then he went off on a tirade about the law of averages. It turned out his only recommendation was to work harder. Well, okay.

That article led me to another author who got close to what I'm going to share with you. He prescribed a sales-slump formula: Skills + Output = Results. Now we're getting somewhere.

I love formulas, but can it be that simple? From a conceptual point of view, I believe the answer is yes. I've always argued that the success formula for sales is simply: Quantity + Quality = Success. That's a foundation we can build upon.

Quantity + Quality = The solution to a sales slump

I keep hearing that making sales today is more difficult than in the past. But, I have to tell you, I've heard that same excuse for 30 years. One of the first questions I ask salespeople at the beginning of any training session is: "Would you say that selling is more challenging today than in the past?" I asked the same question in 1990, and I got the same unanimous response I get today. In every case, 100% of salespeople agree that selling is now more challenging.

I follow that question with another one: "Why do you think making sales is more difficult today?" In the past, the biggest reason was: "It's harder to differentiate our product from the competition." Today I'm more likely to hear: "The internet creates more-educated buyers. When we first meet them, they are further along in their decision cycle than ever before."

Well, it's hard to argue with the fact that the internet exists. But, you know what? The internet provides sellers with as much valuable information as it does buyers. Competitive intel and prospect information gathered from websites and social media are good examples.

I believe that today's concern about the internet actually translates to the same issue as in the past: It's harder to differentiate our products and services because the customer knows more about the competition's products and services—which are a whole lot like ours.

There really is a solution to this problem. Before I identify it, however, we need to look at where sales slumps originate and why they happen in the first place.

The success formula for sales is simply: Quantity + Quality = Success.

Today, it's harder to differentiate products and services.

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Where's the bottleneck?

Unless you live in a world with a "one-call close," your company has something commonly called a sales cycle. Your sales cycle is composed of the series of steps or milestones that must be completed to take your customer from the initial call to a solid commitment to buy your solution. Here's a sample of what it might look like:

SALES-CYCLE MILESTONES

Identify a prospect

↓

Conduct a needs assessment

↓

Demonstrate your solution

↓

Present a proposal

↓

Gain a commitment

Your own sales cycle may have more milestones or fewer, but they exist, and you can identify them. To fix a sales slump, the important thing to determine is at what point in your sales cycle things begin to break down. For example, it doesn't make sense to invest in a redesign of your proposal system if your team isn't making enough prospecting calls to build a reasonable pipeline.
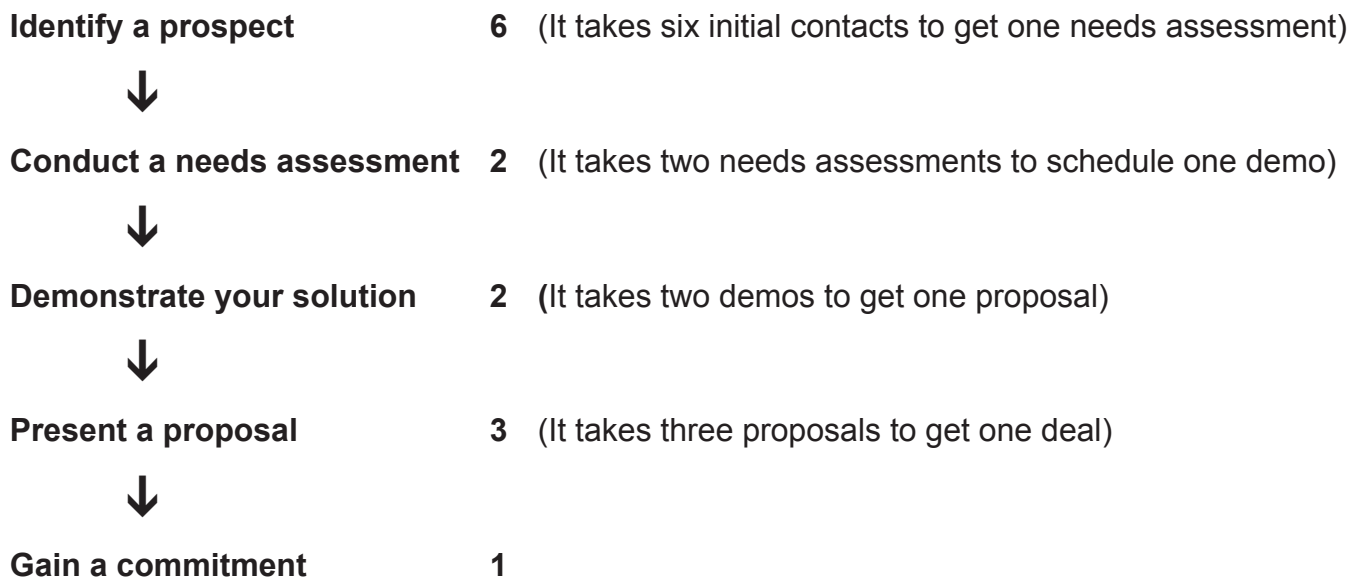
How do you know where the bottleneck is? Start by asking your reps. At what point in the sales cycle do they see things breaking down or getting stalled? You may get some valuable insight.

However, the reps might not completely recognize where the real problem lies. Therefore, you also should look at the history of your team's activity data. Your customer relationship management system (CRM), if you have one, would be the logical source of this data.

I suggest backing into the numbers by starting at the last milestone in your sales cycle and back-tracking sequentially. Using the sample milestones above, for example: On average, how many proposals does it take to get a deal? Then, how many demos does it take to get a proposal? How many needs assessments does it take to get a demo? How many prospecting calls does it take to get a needs assessment?

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Let's assume the answers look like this:

SALES CYCLE MILESTONES

Identify a prospect   **6**   (It takes six initial contacts to get one needs assessment)

↓

Conduct a needs assessment   **2**   (It takes two needs assessments to schedule one demo)

↓

Demonstrate your solution   **2**   **(**It takes two demos to get one proposal)

↓

Present a proposal   **3**   (It takes three proposals to get one deal)

↓

Gain a commitment   **1**

Now do the math:
To get one deal, you need (6 x 2 x 2 x 3) 72 prospecting calls, (2 x 2 x 3) 12 needs assessments, (2 x 3) six demos, and three proposals.

Let's say that each rep needs to do a deal per month to hit quota. Is each rep making 72 new prospect calls every month? Is everyone conducting 12 assessments, facilitating six demos, and presenting three proposals?

Reps may make too few calls...because the quality of their calls is lacking.

If not, what is the earliest point in the sales cycle where quantities miss the mark? Even if more than one milestone is below standard, the earliest milestone below par is the place to start making improvements. That's where you will find the greatest insight into the origin of your sales slump.

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Do you have a quantity problem, a quality problem, or both?

In my experience, the answer is probably both. Once you've created an awareness of the average quantity of each activity that is needed to land a deal, you have to ask yourself if the issue is motivation or a lack of quality in completing the activity. These issues are often interrelated. The reason reps make too few calls may be because they get so many negative results—because the quality of their calls is lacking. That, in turn, affects motivation: Who wants to continue doing things that lead to rejection?

Is motivation or lack of quality the issue?

Whatever the underlying causes of a slump may turn out to be, tracing the bottleneck to a particular milestone in your sales cycle is valuable for several reasons:

1. The improvement plan won't seem so overwhelming to you or your team.
2. Focusing on a particular activity gives you the best chance to achieve an immediate impact on the slump.
3. You can zero in on specific skill-building exercises to correct a specific problem.
4. Salespeople will be more apt to buy into your plan if it is supported by research you've done.
5. If an investment is required, justifying the cost becomes easier due to with the supporting data you've assembled.

HOW TO TRAIN YOUR WAY OUT OF A SLUMP

For a number of reasons, you'll probably only have one shot at getting this right. Top management doesn't want to engage in "flavor of the month" training; neither does your sales team. If you need a training solution, do it right the first time. Here is what I suggest:

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A Foolproof Training Plan to Get Out of a Slump

Follow a training process that includes all of the elements that lead to success. Here's one that succeeds 100% of the time:

| PREPARE | → | TRAIN | → | REINFORCE | → | ASSESS | → | CERTIFY |

a. **Prepare** your team to receive the training.

   i. Without motivation there won't be any significant learning. Reps must see the need to change, and they must believe in the benefits they will receive for making the effort required to improve their game.

   ii. Give them pre-work to prepare them for the training experience. This will allow you to focus more on the application of new skills during your training.

b. **Train** your team on the specific skills that are required to excel at the activity you've identified as the bottleneck.

   THE 5 CRITICAL SELLING SKILLS

   #1: BUYER/SELLER RELATIONSHIP

   #2: SALES CALL PLANNING

   #3: QUESTIONING/LISTENING

   #4: PRESENTATION SKILLS

   #5: GAINING COMMITMENT

   i. Identify which of the 5 Critical Selling Skills are required for the activity you're working on.

   ii. Make sure the training contains skill-building exercises that will lead to improved performance. As an example, if the bottleneck you are working on is "Conduct a needs assessment," a focus on questioning skills would make sense.

   iii. Create exercises that allow each rep to put their own spin on the activity. Use an open-architecture method for exercises, where reps are guided to create their own solutions.

   iv. Start with the fundamentals, and quickly build upon each skill using relevant examples. For example, if you're teaching questioning skills, start by describing the right type of question to ask (open-ended). Proceed to an easy exercise that requires students to change close-ended questions into open-ended ones. Once you're sure the baseline skills exist, expand the training to fit your specific situation.

   v. Create role-play scenarios using actual client situations so that reps have a chance to practice on deals they are currently trying to land.

c. **Reinforce** the training, using field-based exercises and follow-on meetings to check for transfer of the learning into the reps' daily activities. This is the phase where training most frequently breaks down. It is critical. Without reinforcement as part of your plan, your training effort will certainly fail.

d. **Assess and Certify** the skills that are learned and then used effectively in the field. You'll never know if your training was the reason for improved performance unless you measure learning. We recommend a validated skills assessment designed to measure both the quantity of learning that has taken place and the reps' ability to use the learned skills in the field. Surveys don't work. You need an assessment.

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Set activity goals that each rep will agree to perform

Now, and only now, are you ready to set new activity goals. Once you've completed the training process, your team will be much more willing to agree to activity levels that will break the bottleneck causing your sales slump. Since you've already established norms for the average quantity of each activity in your sales cycle that is necessary for success, you'll have guidelines ready to use.

There are bound to be some reps who can accomplish goals with fewer than the average number of prospecting calls, demos, presentations, or what-have-you. Other reps may need many more than the average number to achieve their goals. I've seen cases where some reps can get many more needs-assessment appointments with fewer prospecting calls, based purely on the strength of their personalities. It's best if you can get everyone to use the same objectives. Nevertheless, try to be flexible with your high-performers.

So, how can we create a sustainable differentiator?

What gets measured gets done

Most likely your CRM can be set up to give you the measurement data you'll need to track quantitative activities around the milestones in your sales cycle. Here's a bit of advice about the best practices for doing this:

1. Provide data as frequently as you can--or, at least, as frequently as makes sense (daily, weekly, monthly, quarterly).
2. Report on history so that you and the reps can spot trends.
3. Connect the successes you'll experience back to the training you provided. This drives even more enthusiasm for the training…as well as for future training.
4. Calculate an ROI from what you've done so that management sees why sales training is the best investment opportunity they've got.

How are you different?

I said earlier that I would return to the topic of differentiation. It is hugely important.

When I consult with senior executives of a company, I ask them, "How do you differentiate your solutions from the competition? What makes you different?" After some talk about how the competition has cloned their products or their services, the answer I get from nearly all of them is: "Our people."

Sounds good, but here's the rub: If everyone answers the question the same way, nobody is actually different. When I share this with executives, I usually hear some variant of this speech:

"It's harder to differentiate our products and services today. The competition's products and services are a lot like ours and, thanks to the internet, our customers know it. That creates a price problem. We want to be a value leader, not a price leader. So, how can we create a sustainable differentiator?"

I've thought about this question a million times, both in regard to products and services I've sold and in regard to my customers' situations.

In a previous life, I sold personal computers manufactured by all of the popular makers. On the surface, the only difference between my products and those of 40 competitors I had in my region was the serial numbers on the back of the machines. I attempted to combine services with our computers (training, installation, preventive maintenance, etc.) but the competition quickly copied all of our best ideas. The result: No discernable difference in our products or services.

In my current life, even the training programs I sell can look quite similar to those of my competitors, until you get under the hood. As in most industries, there's no shortage of copycats. And, I now advise people who sell commodities so basic that they make my former problems with personal computers seem laughable. Try differentiating salt. Or potting soil, which is literally dirt in a bag.

Stop trying to differentiate using product or service features...differentiate <u>how</u> you sell.

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Can any company have a sustainable differentiator?

The answer is yes—any company has the potential to differentiate itself. It comes down to proving you are the very best at something. Here is what I tell my customers: "Stop trying to differentiate using product or service features. Instead of differentiating <u>what</u> you sell, differentiate <u>how</u> you sell."

To pull this off, you need high-quality and continuous training. Focus your company's energy and resources on becoming the best-trained sales force in your Industry. Set that as a goal. Once you become the best trained, keep training. It's the only sustainable way to be different and to stay ahead of the competition.

When you use the training process I have described here (Prepare, Train, Reinforce, Assess, Certify) and you have great training <u>content</u> to share with your team, your initiative is guaranteed to produce results. Do this, and you'll break out of your slump. Train continuously, and you'll stay out of it forever.

Instead of differentiating <u>what</u> you sell, differentiate <u>how</u> you sell.

Goal: Become the best trained sales force in your industry.

ABOUT THE AUTHOR
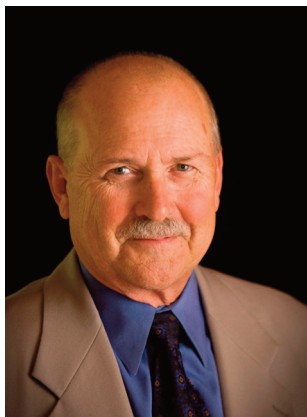
Duane Sparks is chairman and founder of The Sales Board, a Minneapolis-based strategic sales training company that has trained and certified more than 400,000 salespeople in more than 3,500 groups in the system and skills of Action Selling™. Sparks has guided companies through every phase of business development, from start-up, turnaround, survival and rapid growth. He has also written five sales books, personally facilitated more than 300 Action Selling training sessions and continues to engage in the business and art of the strategic sales process.

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It's not <u>what</u> you sell, it's <u>how</u> you sell!

Learn how The Sales Board can help you develop a sustainable differentiator for your company.

Duane Sparks is the author of Five Sales Books:

Action Selling: How To Sell Like A Professional, Even If You Think You Are One

Selling Your Price: How To Escape The Race To The Bargain Basement

Questions: The Answer To Sales

Masters of Loyalty: How To Turn Your Work Force Into A Loyalty Force

Sales Strategy From The Inside Out: How Complex Selling Really Works

Newsletters

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