Want a Great Sales Culture? Fill this Gap

Here's what the best-run companies are doing.

By Duane Sparks, Chairman, The Sales Board, Inc.





EXECUTIVE SUMMARY

Every business leader wants a productive, efficient, and effective sales organization—one that consistently hits quota.

But, what we want and what we are actually getting are two very different things. While companies are chasing more aggressive goals and applying more pressure to hit them, several recent studies suggest that their efforts are falling short. Research by the Aberdeen Group finds that two-thirds of sales reps fail to hit quota and that 65% of B2B companies say their #1 challenge is sales productivity.

Research by Harvard Business Review on the problem with sales productivity isolates "sales culture" as the most important criteria determining a highly productive company. HBR's research further indicates that the #1 factor determining whether a company achieves a high-performing sales culture is the company's ability to align all customer-contact employees with a common culture based on an effective customer-communications strategy. HBR defines "alignment" as clarity of vision, strategy, and shared behaviors. Without alignment among customer-contact teams, companies cannot avoid a gap in their sales culture. That gap ultimately damages sales productivity. Today, the gap is widening.

Based on the volumes being written on the topic of sales culture, and my own experience over the past three decades, it is obvious to me that this is the most important time in the history of selling for the advent of a healthy and effective company-wide sales culture.

This is the most important time.

In this white paper, I'll explain the cause of the gap in a company's sales culture, its impact on sales productivity, and why the gap is widening. Using several cases studies, I'll explain what some of the best-run companies are doing to fill the gap in sales culture and the results they are achieving.

This is the most important time in the history of selling for the advent of a healthy and effective companywide sales culture.

What is the underlying cause of your sales-culture gap?

A lot of people in the sales training and customer service training business claim that the reason we struggle to achieve revenue goals is because the modern buyer is far more in control today than in the past. They'll tell you that, thanks to nearly unlimited access to

digital and social information, the buyer has changed more in the last 10 years than in the previous 100. Then, these deep thinkers will use this claim to justify just about anything they want to sell you: "Because buyers are more educated today, you need to purchase our (<u>fill in the blank</u>)."

If your sales and service people can't figure a way to be valuable, why would you keep them on the payroll?

Who could argue with the fact that people have easy access to more information because of the internet? That's obviously true. But, it's also a banality. Here's my take on the situation:

- Because it is so easy to find out more about a product than anyone ever wanted to know, the days of the company representative as the fount of product knowledge are over.
- 2. With an internet-educated buyer, it is more challenging for reps to "add value" to your products and services than in the past. Yet, in the B2B world, if you want to hit revenue targets and generate customer loyalty, it is critical that all customer-contact representatives are able to identify creative ways to add value to your products. Just knowing some facts about your product or service isn't nearly good enough today.
- 3. Because buyers know more, the value-add game your customer-contact people are playing is elevated to a higher, tougher level. The value perception is less about **facts** and more about **solutions** that are specific to the customer's situation. Solutions are created when unique customer needs are married with your company's capability.

 It's far more important today that both your sales
- 4. If your sales and service people can't figure a way to be valuable, why would you keep them on the payroll? With no added value, you're merely pushing commodities. You could let your website handle commodity transactions, and save a bundle on employee costs.

today that both your sales team and your service teams know how to add a level of value that the internet cannot.

Assuming you believe it is at least possible for employees to deal more profitably with customers and prospects than your website can, let's look at how to respond to the critical challenge of creating value propositions. It's far more important today that both your sales team *and your service teams* know how to add a level of value that the internet cannot. You'll need to train your teams to do this—and to do it consistently.

Many companies know that they need to invest in training their traditional sales force on how to communicate in a way that adds value. But, for a number of ridiculous reasons, the rest of

their customer-contact employees get left out of the training equation. Because these employees typically interact with customers more often than salespeople do, this is a costly mistake. It is far more important to train these people than ever before.

Solving (The Sales-Culture Gap) is not only profitable, it's critical to survival.

Your work force must be able to differentiate your products in the mind of the customer. That is the only thing that will keep you out of the commodity business. If you don't have a way for *everyone* to learn how to do this, you'll inevitably wind up with a deep and wide sales-culture gap. Solving this problem is not only profitable, it's critical to survival.

How can you get your company on the growth path it deserves?

The quick answer to that question is: *All customer-contact employees* must be able to add value to your company's products and services in a way that the internet cannot. We've

preached this to salespeople for decades. Now it's time to show all customer-contact employees how to do it.

I have a favorite term for employees who are not in traditional sales roles but who have significant contact with customers. I call them Customer Relationship Professionals (CRPs, for short). CRPs work in functions with names such as customer service, customer support, technical support, marketing, account management, client services, help desk, inside sales, and others.

These CRP teams need to be able to look at every customer communication from the viewpoint of the customer. They need to act in ways the internet cannot. Management is quick to grasp that this is highly important and to see the revenue opportunities that become available when CRPs are more able to act like salespeople. However, we run into a few obstacles when we put CRPs through a typical sales training curriculum.

If we put CRPs through a sales training program, we are trying to make them into something they don't want to be.

- 1. Most CRPs do not want to be salespeople. They don't view their jobs as stepping stones into a sales career. They would much rather "take care of the customer" than sell a product or service. If we put CRPs through a sales training program, we are trying to make them into something they don't want to be.
- 2. Most sales training courses require time away from the field. At least a portion of the training is in a workshop environment. Workshops can be two or three days in length. In high-volume, high-demand situations, companies just can't take their CRP teams down to attend a workshop.
- 3. Nearly 100% of training programs intended for CRP types lack adequate reinforcement and/or measurement. Without both of these ingredients, the motivation and ability to excel at *applying* the learning is minimal. The training is quickly forgotten and becomes a waste of time and money.

But wait, there is an answer to this dilemma. It fits the self-perception of CRPs, it accommodates the high-demand nature of their work, and it has the measurement and reinforcement needed to make training a fabulous investment.

Before I share with you what the best-run companies are doing to close the sales-culture gap, let's set the stage with a conversation about the ultimate outcome. Why should you bother to engineer a sales culture that includes your entire work force and puts your customer-contact people into alignment with your salespeople? What great benefit are you trying to achieve? The answer, in two words, is: customer loyalty. Here's the formula:

Align Sales and Service + Improve Sales Culture Customer Loyalty What happens in your company after a sale is made? How well does the rest of the organization align around the goal of cementing that customer and strengthening the relationship for the long haul? How consistently are your value-added capabilities demonstrated in all of your communications with that customer? How loyal are your customers?

Those questions are all closely related. Please don't be too quick to answer the last one, about how loyal your own customers are. Before you do, let's talk a bit about customer loyalty.

In my recently revised and updated book *Masters of Loyalty:* How to turn your work force into a loyalty force, I describe in detail what loyalty really is.

Customer satisfaction alone doesn't cut it today.

Most companies these days spend a lot of time and money measuring customer satisfaction. There are obvious reasons for this: They want to reduce churn, minimize negative word of mouth, and differentiate their service from competitors. They know that it's cheaper to hang onto current accounts than to acquire new ones. All true. The trouble is, customer satisfaction alone doesn't cut it today.

Research into B2B customers who defect from suppliers shows that:

- 75% of customers who leave a company for a competitor say they were <u>Satisfied</u> when they left.
- Company executives think that 50% of customer defections are due to issues of <u>Price</u>. In fact, less than 25% leave for that reason.
- Company executives think customers leave because their <u>Needs</u> <u>Changed</u>. But, only 10% leave for that reason.
- Research Conclusion: In nearly 75% of cases, customers say they left a B2B supplier because of the lack of a solid Business Relationship.

Customer satisfaction may be a good thing to measure, but as far as retention of customers goes, it isn't the right measure. Based on research, satisfied customers are still open to shopping the competition. Truly *loyal* customers, on the other hand, are those who have stopped shopping. Loyal customers are deaf to your competitors' appeals.

If that is the definition of real loyalty, are you loyal to another B2B company? If so, think about why that is. I'm going to go out on a limb and say the biggest reason is because there is a person or two inside that company who has done a great job of developing a relationship with you. This person most likely acts as a consultant, an orchestrator of resources and, above all, a relationship builder.

People with loyalty-generation skills understand that loyalty must be earned; it probably doesn't come solely from a loyalty "program" involving frequent-flyer miles or volume discounts or some such.

Such people understand that the underlying purpose of every client conversation is to create loyalty. A work force full of employees like that would rule any industry.

Loyalty Generators market not just their company and products but themselves. They consider the relationship with you valuable, even if you're not the Ultimate Decision-Maker in your company.

Such people understand that the underlying purpose of every client conversation is to create loyalty by strengthening their personal relationship with the client. And, they know how to do it. A work force full of employees like that would rule any industry.

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Case studies: What happens when you train salespeople AND customer relationship professionals?

I would like to describe several real-world examples of training programs we have conducted for client companies in the B2B space. In each situation, we trained both the sales team *and* the CRP work force. All of these clients were concerned with improving their sales culture. To various degrees, however, they were reluctant to put CRPs into a typical sales training program; they felt that many or most of their people would reject training that felt "salesy."

Our answer for these clients was to train salespeople and CRPs separately. Sales teams received either Action Selling or Action Selling 3D, depending on whether they faced complex (multiple decision-maker) selling situations. Customer relationship professionals, on the other hand, were trained with Action Selling CRP. Action Selling CRP is a program that teaches a customer-communication strategy that resembles Action Selling. It allows CRPs and salespeople to run on the same track, and to speak the same language, but it contains no elements that would make it seem salesy. CRPs love it.

The cases that follow describe why companies decided to invest in Action Selling and Action Selling CRP, the business challenges they faced, the resistance they sometimes had to overcome, and the results they achieved.

When we look at these cases as a whole, certain common goals and skill-development outcomes jump out. The chart shows these commonalities and illustrates how frequently each was apparent in the situations I'm about to describe.

Training Expectations and Outcomes by Case Study Company

		Dakota	Fluke	RIML	Cinci	Quiktro	Bergan	Envision	CBR	Supply C	, Snain
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	Improve our Sales Culture										
	Grow sales revenue and profitability										
	Learn a consistent sales process for customer interactions										
	Improve the confidence level of our customer-facing employees										
	Learn how to be better at asking for commitments										
	Learn proper sequencing of actions when making a sales contact										
	Use sales training that is adaptable to our unique industry										
	Become different from all of our competitors										
	Establish a common selling language across all departments										
	Improve our "consulting skills"										
	Identify common selling errors that we make										
	Change negative attitudes toward selling										
	Get referrals, not just orders										
	Combat competitors who use unethical tactics										

^{*} Based on pre and post-training surveys of clients that trained nontraditional sales forces.





Dakota Supply Group (DSG), headquartered in Fargo, North Dakota, is a century-old company that provides product and service solutions to clients in the electrical, plumbing, HVAC, refrigeration, communications, utility, automation, waterworks, filtration, metering-technology industries.

Ryan Tracy, DSG's corporate sales manager, brought Action Selling into the company more than 15 years ago. Here is Tracy's own description of how his company developed its sales culture:

DSG used the principles of Action Selling to build ourselves into one of the largest regional suppliers in the industry. Action Selling has become what we think of as the operating system for every business relationship we have. But, recently I realized we hadn't mastered the system on a company-wide basis.

We had many opportunities that weren't being followed up on properly by our salessupport staff. We were missing revenue because our customer-service teams didn't know what our sales force knew. That's when we decided to put our 200+ service people through the Action Selling CRP course.

Our model relationship customer professional is a construction-industry expert who has been trained to be effectively customer-oriented. Customers love working with our sales-support reps because they get their questions answered. Tons of upsell, cross-sell and bid opportunities arise when our reps communicate with customers in the right way.

The key thing we learned from Action Selling CRP is that the main goal of all our communication with customers must be to create and build loyalty. That is true whether the communication is done by our sales force or our customer-contact people. Thanks to Action Selling CRP, everyone is now using the same process to communicate with customers and to build the kind of loyal relationships that keep us top of mind with every customer.

Now we know what a high-quality, loyaltybased business relationship actually looks like. And, we know the precise steps required to generate more loyalty in every customer interaction.



That the main goal of all our communication with customers must be to create and build loyalty. That is true whether the communication is done by our sales force or our customer-contact people.





Fluke Calibration is part of the Test and Measurement segment of Danaher Corp., an \$18.3 billion company. Mark Martin, North American sales director, decided to provide Customer Relationship Professional (CRP) training to his team of experienced technical engineers. Here is Martin's description of what happened:

When many non-sales types think of salespeople, they think of the stereotypical ones who talk fast and loud. So I was looking for a professional customer communications training curriculum that didn't have any gimmicks and was as logical as the thought processes of the people we would be training. We chose Action Selling CRP.

We were a little embarrassed when we realized how many customer interaction mistakes we were currently making. From customer interaction planning to needs identification. From presenting our company product capabilities to and gaining commitment. We needed to make some significant changes in how we engaged in conversations with customers. We wasted a lot of valuable technician time chasing unqualified deals. We lost deals without any idea of what went wrong.

The way our engineers think and feel about sales conversations has done a 180 since they were trained in the Action Selling CRP system. Here are some of the valuable lessons we learned:

- We walk away from deals where we can't uncover unique needs for our products. We don't waste anybody's time.
- Our ability to gain commitment is very good today. In the past we just didn't ask.
- We focus on developing the customer relationship and the value of our company before we discuss products.
- Our consulting skills are far greater, not because we improved technical skills but because we improved our ability to identify needs and to connect needs to solutions.

Technical people want to help. Our engineers' whole attitude towards sales has shifted. Selling is not something that we do TO people; it's something that we do FOR people. With the CRP training from Action Selling, that's exactly how we feel.

Selling is not something that we do TO people; it's something we do FOR people.





RML Specialty Hospitals, located in the Chicago area, serve the complex needs of patients who require longer hospital stays and highly specialized care. RML gets most of its patients via referrals made by doctors. or nurses, from about 65 other hospitals in, and around, Chicago. Tricia Vaisvila is vice president of business development, and a member of RML's administrative council. Here is Vaisvila's account of a recent training effort Customer Relationship for Professionals (CRPs):

Action Selling CRP is a perfect match for us because it is so easy to adapt to our industry. It started by explaining the Customer Relationship Professional in a way that I hadn't heard before. Nothing else that we looked at applied as well to health care. It gave us a way to conduct successful client interactions and to be respected as medical professionals at the same time.

Because the process for transferring a patient requires an onsite evaluation from a professional nurse, we trained our nurse clinical liaisons to improve their effectiveness at gaining referrals and admissions.

Gaining buy-in from our nurses to engage in CRP training wasn't easy. Nurses are caring, educated, and involved in doing for others. Even using the word "selling" to describe what's necessary to develop our business was offensive to many of them. They considered the "S" word as synonymous with "rip off." They were hired because they have

clinical skills and now we were asking them to engage in something that they thought was beneath them. We looked at the kinds of sales training marketed to the medical field: it was mostly related to pharmaceutical sales. The way pharma reps are being trained is not respected in our field. We didn't want our training to have any form of manipulation, nor

did we want our nurses to turn into pitch people. We want to be consultants to patients, their families, and the doctors and

nurses who refer patients.

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Cincinnati Children's Hospital serves the special medical, and surgical, needs of children. Like RML, Cincinnati Children's gets as referrals from doctors patients elsewhere. Patty Branson, director of physician services, leads a team of medical professionals who call on doctors to encourage them to refer patients. Here is Branson's Customer Relationship Professional (CRP) training story:

We had attended a Dale Carnegie course in the past, but even though we had some takeaways, it didn't fit well for us. Action Selling CRP was a better fit for the needs of our staff. We don't see ourselves as salespeople and neither do our customers.

Today we are all on the same page with how we manage our customer interactions. We have a consistent plan for how the process should go, from planning and orchestrating the conversation to following up on our meetings with doctors and their staff.

Here are the keys we learned:

- Always have a Commitment Objective, so we don't waste anybody's time.
- How to identify key needs for quality healthcare.
- How to recognize and present the capabilities we have that solve the problems.



Each situation can be different, and Action Selling CRP teaches an easy-to-use, universally applicable approach that allows us to connect our customers' challenges with the advantages we can offer.

I'll give you a good example. As a result of feedback from asking the best CRP questions, we came up with a great new service. Rather than patients requiring two appointments on different days we offer, a "same day" option. We do this on Friday so parents take only one day off work and the child has the weekend to recover.

Action Selling CRP taught us to ask great questions to reveal the need, and then present our unique capability to satisfy that need. When we do this, the parents, and the referring physicians, see us as a much better solution.



We don't see ourselves as salespeople and neither do our customers.





Quiktron Inc. of Albania, Iowa, sells cable connectivity solutions to the datacomm and telecommunication industries throughout North America. Christine Corbine, Quiktron's director of sales, provides training for both an outside sales team of four people and a Customer Relationship Professional (CRP) team of 18 people. Now, she has expanded her audience. Says Corbine:

Quiktron wanted complete alignment of all customer-facing employees on a common customer communications language. That meant that field sales, inside sales, customer service, marketing, and tech support would all be on the same communication system. It has been amazing how the common language of Action Selling CRP drives accountability from the inside of this company to the outside.

We see an example of how this works every time an untrained employee hears a trained employee ask a teammate, "What's your Commitment Objective?" The untrained employee will ask, "What's a Commitment Objective?" Our CRP training initiative has impacted the entire company, and now everyone is involved in the sales process. You know it's working when you hear these exchanges.

Many of our situations involve working with resellers of our products. Because we have high skills in technology, it would be easy to get the know-how from us and then buy from someone else. We've solved that by always asking for a commitment to refer: "If you get the order, will I get the business?"

One simple concept we learned from Action Selling CRP has been invaluable in cases where we have short-term supply problems. The concept is to answer a question with a question. Suppose the customer asks: "Do you have in stock?" Before we answer, we always ask: "When do you need it?" We have saved a lot of orders that we would have lost without that simple idea we learned from CRP

When you see so many examples of employees in all departments using the skills that you teach, you know that your training is working.



Our CRP training initiative has impacted the entire company, and now everyone is involved in the sales process.





Confidence is a feeling of certainty. It is a tremendous inner resource that some people can summon whenever they need to. It can give you a massive edge in gaining commitment for services, meeting with Clevel decision-makers and when you are communicating with customers, confidence is more valuable than any capability of your company, or any feature of your product.

For Customer many Relationship Professionals (CRPs), confidence doesn't come naturally or easily. Lee Roberts, a partner in the CPA Service Group of BerganKDV Wealth Management, LLC of Minneapolis, was well aware of that when he set out to deliver Action Selling CRP training to the firm's accountants. Here is Roberts' story:

A lot of the folks who enter the accounting profession are introverted, and selling is not natural for any of us. But our firm has realized that each of us must be accountable to help grow our business. Action Selling CRP works! It doesn't feel like selling.

Processes are involved in all of the services that we provide, like tax, audit, and payroll services. CRP is a great fit for us because it is also a repeatable process. We practice CRP in every customer interaction we have.

Here's a recent success story: We made a call on the CFO of a large company. Our small accounting firm was going up against four big nationals. I know they give sales training to their business-development teams. Fortunately, their training wasn't in Action Selling CRP.

The CFO had a sales background, so we knew going in that he'd appreciate a great customer interaction. But he was more impressed than I expected. After our initial call, he said to me: "That was one of the better meetings I've ever been in. It was different because you asked us questions and listened to us much more than you talked about you. You seem to care more about us than you."

That victory over several formidable major competitors gave everyone at BerganKDV an extra shot of confidence. You can't put a dollar value on confidence.



...our firm has realized that each of us must be accountable for bringing in business.





Envision Imaging, based in Dallas, operates a multi-state network of world-class imaging centers that provide MRI scans, CT scans, and other imaging services. Stephanie Corbin-Helms, regional marketing director, says that some competitors in the industry bend the rules by offering doctors free iPads, gift certificates, or other economic incentives to refer their patients to the competitor's imaging lab.

Refusing to compete on that level, Envision chose Action Selling CRP training for the teams of medical professionals it sends to ask doctors for referrals. Corbin-Helms explains:

Gifts and bribes take the focus off quality health care and place it on getting something unrelated to the patient's well-being. Our corporate mission includes a warm and enjoyable patient experience, the latest technology, and the fastest turnaround in our industry. Those are benefits for the doctors' patients, and that's what we demonstrate during our conversations with doctors' offices.

Action Selling CRP helps Envision to be competitive with those that don't play fair by giving us a consistent communications process that focuses on serving the patient's needs as a way to build strong relationships with doctors who refer patients to us.







Let's look at a case where training was delivered to inside sales employees. These tele-sales employees carry more of the sales load for their company.

Cord Blood Registry is the world's largest cord-blood bank, storing newborn stem cells for families that bank them for clinical tests. and as insurance against diseases and conditions that have no current cure. Matthew Martin, Director of Customer Engagement at CBR's Tucson, Ariz. laboratory, manages a team of inside salespeople who make, and receive, prospect calls via the telephone. Says Martin:

We have 85 reps currently marketing our services. Before we conducted Action Selling CRP training, our phone calls lacked structure. They didn't have a logical progression from start to finish. We had some Customer Relationship Professionals (CRPs) who averaged 20-minute calls and others who averaged only 3-minute calls.

We had tried scripted messaging from a company that specialized in telemarketing. That just didn't work. We taught people 40 or 50 things that they had to say, along with stories to tell. What we heard over and over from prospects was: "I want to think about it."

Action Selling CRP describes "I want to think about it" as a stall. What the customer is saying is, "I'm not quite convinced." But, we didn't know what they weren't convinced on. We now recognize that in most cases, hesitation happens because the CRP hasn't developed a sufficient trust level with the prospect.

What we learned was that our CRPs never stopped to find out what the customer needed. That means they didn't do a good enough job of selling themselves as individuals who cared about the customer's situation. They also weren't doing a good enough job of connecting the customer's needs to the solutions that CBR could provide.

We changed that with Action Selling CRP. We saw an immediate impact in two key areas: First, our sell cycle dropped like a rock. It is 50 percent shorter than before the training. Secondly, we increased our enrollment yield on inbound calls by 20 percent. My biggest surprise is how a surprisingly simple program can be so surprisingly effective.

Before we conducted CRP training, our phone calls lacked structure. They didn't have a logical progression from start to finish.



...our sell cycle dropped like a rock...yield on inbound calls increased by 20%.





Supply Chain Services of Stillwater, Minn., sells barcode scanning and printing equipment to the manufacturing and warehousing industries. Chief operating officer Dave Green and CEO Chip Emery originally went looking for sales training for the inside sales force. But they decided to deliver Action Selling CRP training to everyone in the company. Here is their story:

We wanted to develop a customer communications language that we all could speak. We felt that we needed a culture change in order to hit the growth goals we were aiming at. We decided to include everybody in the training program— sales, administration, technicians, marketing, and even our CFO. We expected to get a 20 percent lift in sales revenue. We actually got 60 percent.

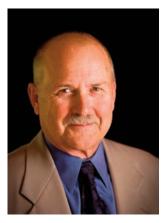
Action Selling CRP has boosted the confidence of everyone in our company. Imagine an employee who is 20-something years old meeting with the CEO of a halfbillion-dollar company and having the confidence to recommend what that CEO should do. We win just about every deal when we take the time to use what we've learned from the CRP program.

It's a pretty radical idea to train everyone in a company on how to be effective at selling. But so is growing a company by 60 percent per year.



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ABOUT THE AUTHOR



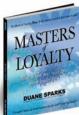
Duane Sparks is chairman and founder of The Sales Board, a Minneapolis-based strategic sales training company that has trained and certified more than 400,000 sales and service people in more than 3,500 companies in the system and skills of Action Selling[™] and Action Selling CRP[™]. Sparks has guided companies through every phase of business development, from start-up, turnaround, survival and rapid growth.

Having written five sales books and personally facilitated more than 300 Action Selling and CRP training sessions, he continues to engage in the business and art of the strategic sales process.











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
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