Executive Briefing Paper

Changing Sales Behaviour for Good

The case for a more effective sales skills development model

by

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Synopsis

Most of us have attended traditional classroom teaching at some point in our work life. In the traditional model, we attend a one or two-day training seminar in which a trainer explains a number of learning points and we may get to practice some of these ideas in artificial role plays.

A great many studies have been conducted in recent years which show that this traditional approach is not very effective.

This Executive Briefing Paper explores the short-comings of traditional classroom based sales skills training and introduces a well-proven more effective approach to develop a broad range of selling skills to help every sales person or key account manager in every size of business from large multi-nationals down to owner-managers of small businesses.

Introduction

In the modern world of business an increasing percentage of total company turnover and subsequent profit is dependent on a very small number of individuals – your sales people and key account managers. This is a heavy burden to place on a small group of individuals during high-growth periods. In tough economic climates when so much is at stake; jobs, factories, and the very on-going existence of your business perhaps, it is therefore critical that individuals with so much responsibility are given the tools to do the best job for their companies.

A great many studies have been conducted in recent years which show that the traditional classroom training approach is not very effective. Quite simply we just can't take in all that learning in such a short time and it is tough for the delegates to apply the new ideas to the real world when they are sitting in a classroom.

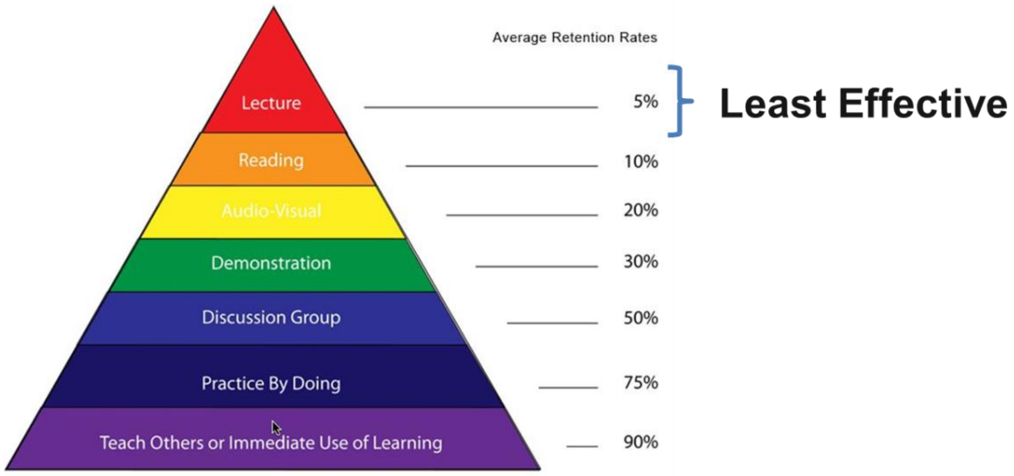
Even without such research many senior executives either believe or at least perceive that this is the case anyway, so they cut training when times are tough.

If there were not an alternative and more effective sales skills development model, cutting back on training would be short-sighted, even foolhardy. Fortunately, there is more effective skills development approach; one that can change the long-term behaviour of your sales staff and deliver measurable results both in the immediate and long-term.

This white paper introduces a revised sales support model which has been shown to be far more effective in developing sales capabilities and is far more cost and time effective than traditional classroom training

Short-comings of Traditional Classroom Training

Research shows that traditional classroom training, where a lot of information is crammed and concentrated into 2 or 3 long days is not truly effective in the long-term.



The Learning Pyramid
National Training Laboratories, Bethel, Maine

A high proportion of traditional classroom learning time is spent on lecturing by the trainer or in abstract role play exercises – this is the least effective form of training and is relatively expensive.

The reasons for this are that…

- Few people can absorb the amount of material in one or two days
- The majority of the learning is forgotten within 20 days
- There is no opportunity to practice by doing in the real world
- There are no opportunities to test the new knowledge in the classroom
- Classroom role playing is no substitute for real customers
- The training is rarely driven by the individual's commercial objectives
- The training is rarely driven by the real world needs

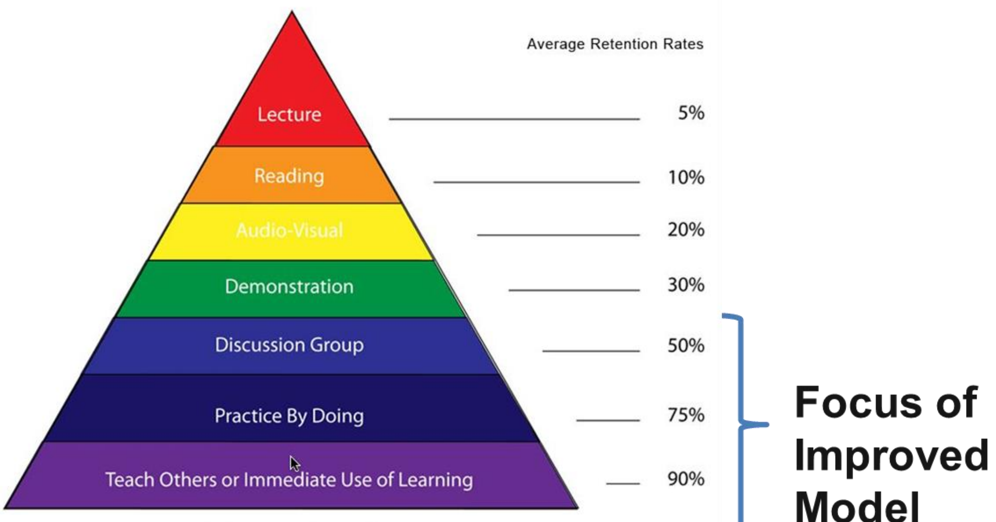
As a result few companies observe any significant improvement in their top line for any extended period and as a consequence are happy to cut training to save money.

If managers were confident that traditional training did have an impact on their business then they would increase investment when times are tough because this is the very time when they need more business – but they don't, because they see little relationship between traditional classroom training and commercial results.

Added to this are the direct and indirect costs incurred by classroom training:

- Time spent out of the office during prime selling time
- Cost of training room facilities
- Overnight accommodation for several nights
- Travel costs - often long-distance

Introducing a More Effective Model



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Experience and independent studies show that there are some key success factors when training and developing skills. Such as:

- Learn by doing and practicing the new skills in the real world
- Regular reviews and reinforcement of the skills learnt
- Prove understanding of the lessons by explaining the content to others
- Constant practice of core ideas over an extended period to inculcate the ideas
- Strong focus on the specific real world customer situations and current challenges
- Having agreed personal objectives for both the overall program and short time periods with constant follow up

Results clearly indicate that by investing in the right type of sales development businesses will grow their revenues and profits by growing their sales people.

The revised model puts the focus (together and as individuals) on discussion, sharing, immediately using the material, practicing in the real world and explaining to others. As a result retention and therefore commercial impact is dramatically greater, as sales people sell more.

Developing the true Key Account Partnership

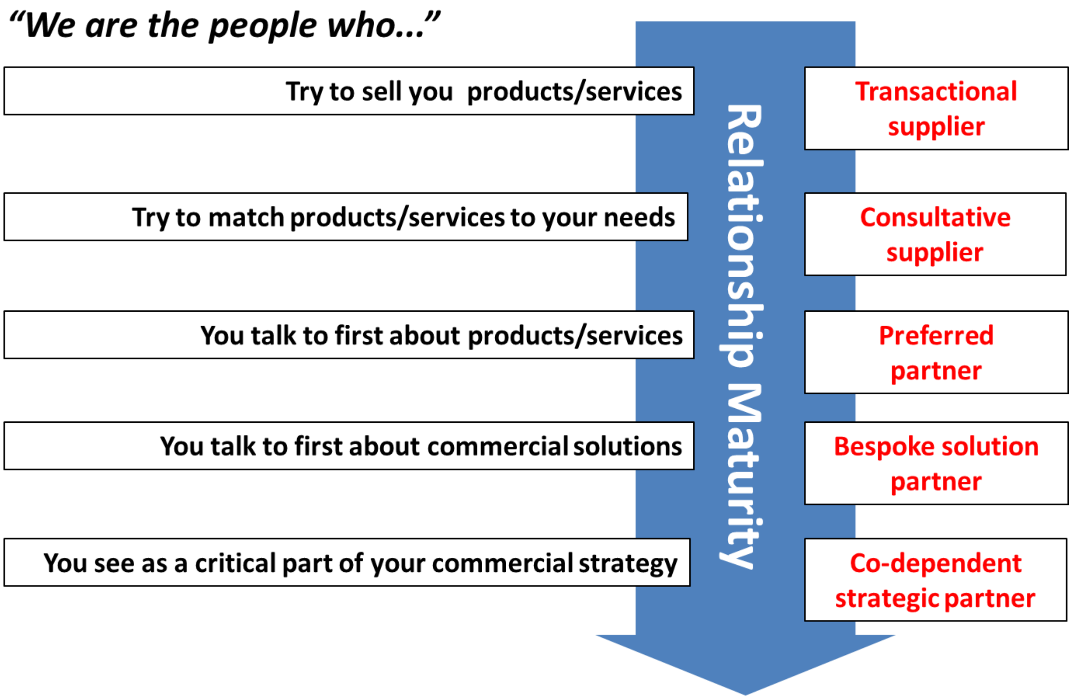
One of the immediate problems that we encounter when we talk about key account management is that different people will mean very different things when they use the term key account manager. One of the reasons for this is that over a period of years key account management has evolved. But it has evolved at different speeds in different industries and in different markets. So this means that although we may all use the same terminology we often mean different things.

We can think about key account management as evolving through five phases; from the first phase which is essentially synonymous with transactional selling (so for many people not key account management at all) to the final phase which describes a co-dependent relationship between customer and supplier in which both sides are fully locked-in to each other to maintain their success.

Whilst the final phase may sound as though it is the nirvana for suppliers, many of them are not structured, equipped or culturally able to reach this point.

Introducing the Relationship Maturity Model

We can summarise the five stages of the maturity model as:



Transactional selling (many managers would not recognise this as key account management yet we include it because some companies still have their account managers behaving as transactional sales people) – characterised by the sales person telling the customer why he / she should buy the product – always an individual 1-1 relationship

Consultative selling – characterised by the account manager conducting a proper needs assessment and then persuading the customer that his/her product is the best solution – generally an individual 1-1 relationship

Preferred supplier – characterised by ad hoc business development projects, often initiated by the customer, working with one selected supplier – typically a 1-1 relationship with ad hoc multi-disciplinary teams as necessary

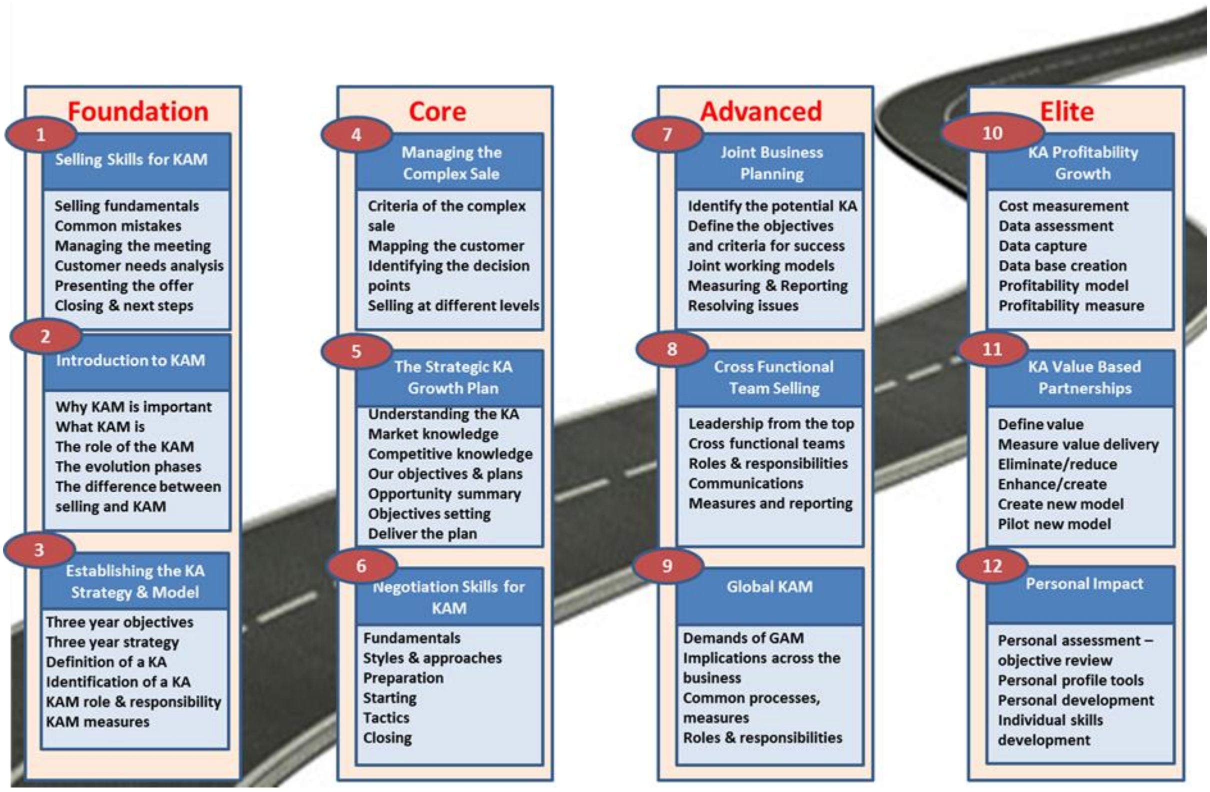
Building the bespoke solution supplier – characterised by the customer choosing to favour one selected supplier which in turn will adapt and alter its products, services or processes to meet the specific needs of the customer – always a multi-disciplinary team relationship and often jointly funded initiatives

Co-dependent dedicated partnership** – characterised by the two parties integrating aspects of their businesses to put the focus on serving the needs of the customer's customers – always dedicated permanent multi-disciplinary teams, jointly funded initiatives, sharing of sensitive data. At this level both companies are effectively locked-in together and it may be all but impossible for one company to leave the relationship without suffering significant loss.

Introducing a Comprehensive Roadmap of Sales Skills Development

Much of the work of the Key Account Management Group is grounded in established best practice processes covering the entire core Key Account issues. These best practice processes have been built up over a number of years and continue to evolve as new learning is developed.

This has enabled us to create the most comprehensive and most cost-effective programme or roadmap of sales skills development training courses available. These can be delivered either on your premises, at a local venue or via the Internet using Webinar facilities.



The courses are grouped into four key areas:

Foundation courses - that address the basic building blocks for successful selling and account management and include Selling Skills for Key Account Management (KAM), Introduction to KAM and Establishing the Key Account Strategy and Model.

Core skills – to introduce more complex selling scenarios and basic skills for strategic or key account management such as Managing the Complex Sale, The Strategic Key Account Plan and Negotiating Skills for KAM.

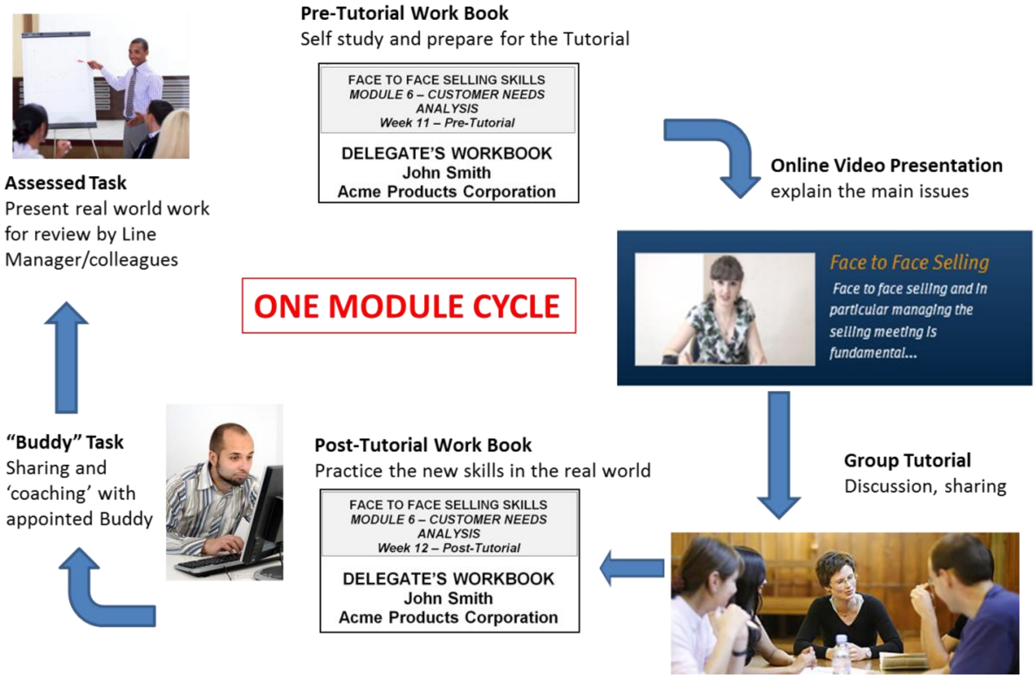
Advanced skills – to address the more complex skills required for Joint Business Planning, Cross-Functional Team Selling and Global KAM.

Elite development – to develop in-depth skills relating to Key Account Profitability and Growth, Key Account Value Based Partnerships and Personal Impact.

You do not need to follow the whole roadmap or take courses in any particular order. The roadmap positioning just serves as a guide to the level of skills addressed. You may select just those courses that are relevant and needed at the current time to help take your business forward.

How it works

Each training course is divided into 10 Modules; one Introduction Module, eight teaching Modules and one Review Module. Two weeks is spent on each Module, so each training course program lasts for 20 weeks.



Each Module consists of online videos, a group tutorial and a series of tasks and exercises, some of which the sales person will complete alone, some in small groups and some with another delegate (the "Buddy"). All the tasks and exercises are related directly to your customers and your business so there are no "academic" exercises.

Every week the sales person will receive a work book. The work book will either prepare the sales person for the forthcoming tutorial or help him or her to apply the learning from the previous tutorial just attended. The sales people can work through the work books in their own time whenever it suits them.

Every two weeks the teaching modules focus one at a time on the eight core modules that make up that course. As an example the modules for the introductory Selling Skills for KAM address the eight core selling skills:

1. Fundamentals of selling
2. Avoiding common errors
3. Effective call preparation
4. Effective call introduction
5. Identifying customer needs
6. Presenting the solution / closing the deal
7. Objection handling
8. Post-call follow-up

The topics covered will each be directly related to best practice capability – in other words we would expect the top performing sales people to have high capability in these areas.

Each module includes a 90 minute group tutorial with an experienced sales trainer. This may be face to face at a local venue or may be run via the internet.

Each Tutorial will start with a rapid welcome and then spend a few minutes reviewing the main points from last time. We address questions from the last Tutorial at this time.

The Tutorial will then address each of the core topics. The Sales People will have already prepared for some of the topics in detail so less time will be devoted to these.

One of the best ways to ensure understanding of a topic is to explain it to others, so the Sales People will have the opportunity to explain the different points made in each Module to the group (once they have become familiar with the topic of course).

There will be topics for discussion, exercises for smaller groups and time for problem solving.

Each module includes a Best Practice Scorecard such as the example below for Customer Needs Analysis.

CAPABILITY BEST PRACTICE SCORECARD - SELLING SKILLS MODULE 6 CUSTOMER NEEDS ANALYSIS				
	This Scorecard defines the Best Practice for Module 6 of the Face to Face Selling Skills Program – Customer Needs Analysis. Having completed the Module, each Delegate should be able to answer 'Yes' with a high confidence level for each of the 10 Best Practice Criteria			
	Best Practice Component	Yes/No	My confidence level (1-10)	Is there anything I must do to improve this?
1	I recognise the critical importance of understanding the customer's needs			
2	I can explain how to use open and closed questions			
3	I know the six core open questions			
4	I can explain how to use the six core open questions			
5	I understand the idea of the questioning flow or sequence			
6	I can explain how to use questions to create a need			
7	I have defined the core needs of my customers			
8	I have tested my understanding with the customers			
9	I plan answers to questions I expect from the customer			
10	I plan my core questions to be used before the meeting starts			

This Scorecard is based on observed best practice by high performing sales people and is used to define the content of the Module and the desired output. It helps the sales person to understand their level of expertise in each area and identify where they need to improve and develop their skills.

The sales person's line manager is encouraged to review the completed Scorecard with the sales person and to question the score the sales person has given him/herself. In particular he should ask for evidence, either written or verbal, that the sales person really does understand the point.

Background to the new Training Model

This new model has been developed by the Sales and Marketing Consultancy Group (SMCG) in close collaboration with clients mainly in Europe and North America. It is the result of working since 1993 with corporations around the world who have expressed dissatisfaction with traditional training.

This led to a project to analyse selling best practices and develop a more effective skills development model. The blend of local Tutors with defined best practice material and online video has been found to provide a very strong development model offering a cost effective solution.

Financial Considerations

The enhanced training model proposed in this paper provides the equivalent of four days training.

Typical fees to send an employee to an "open" training course i.e. one where attendees can be from a number of companies are in the region of £250 - £500.

Traditional classroom courses are often held some distance away from the employee's base location so requires travel costs / time. They also involve overnight accommodation for two or three nights.

	Traditional "Open" Training (3 days)	New Model Solution
Attendance cost / person	£750 - £1,500	£475
Travel / person	£50-£100 per day	Minimal
Accommodation / person	£300	Nil
Time away from the business	3 full days	Minimal

Conclusion

Whilst the traditional classroom training model for developing sales skills may have its place and may still be the favoured approach for some organisations, research clearly shows this approach has limited value.

The revised model concentrates on proven methods for developing long-lasting behaviour-changing skills, so return measurable performance improvements with resulting increases in sales revenues and profitability. It also does so at significant lower cost than the traditional approach.

This makes the revised model affordable, even to small and medium size businesses and even during tough economic times, when businesses are especially dependent on the success of their sales people. It can be delivered for groups of up to twelve people either in-house, in open courses or via the Internet.

We strongly recommend to all businesses that now is not the time to be cutting back on sales training. Now is clearly the time to be investing, but do invest in this enhanced training model as devised by the Key Account Management Group.

This paper

This paper was originally presented by Richard Ilsley and David Hunt in a Webinar in May 2013.

It is free to download along with associated papers at the resource site

www.KeyAccountManagement.org

If you would like more information or to discuss the content of this Paper or any other aspect of your business then contact Richard Ilsley at richard.ilsley@smcg.net or one of the Key Account Management Group Authorised Delivery Partners.

About The Key Account Management Group

The Key Account Management Group (www.keyaccountmanagement.org) is a division of the Sales and Marketing Consultancy Group (SMCG) set up to develop key account management and sales skills training materials based on the principles of best practice. Delivery of training is via Authorised Delivery Partners, who are a small number of hand-picked, highly experienced and skilled sales trainers.

We are a global membership organisation for managers at all levels to share key and strategic account experience, knowledge and learning. We synthesise best practice learning into video based skills development modules to provide an online support resource.

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