What Keeps Sales Executives Up At Night...
And What to Do About It

Recent market research from a survey of over one thousand sales executives has revealed some interesting findings and their implications for leaders of sales organizations.[1]

Executives from a diverse range of companies in both size and industries in North America, Europe and the Pacific Rim were surveyed. Putting regulatory and cultural differences aside, the top issues keeping sales executives up at night (in priority order) are:

- **Increasing Sales**
- **Increasing Sales Effectiveness**
- **Increasing Market Share**
- **Increasing Customer Loyalty**
- **Reducing Sales Cycle Time**

It is not surprising that in today's global economy there is commonality in the priorities of sales executives regardless of geographical location.

The focus of this article is on the topic of increasing sales effectiveness and its impact on this list of desired outcomes keeping sales executives up at night (listed above). We assert that increasing sales effectiveness is a root cause of reducing sales cycle time and increasing sales and market share (and to a lesser extent, increasing customer loyalty), yet most organizations struggle with leveraging this performance driver to optimize sales results.

The Sales Training & Process/Quota Attainment Connection

Organizations employ two primary strategies with the objective of increasing sales effectiveness: sales training and implementing a sales process. Recent research findings that examined the relationship between sales performance and sales training/process revealed some disconcerting results.

The 1,040 firms surveyed were asked what type of sales training/process they employed and what percent of sales quota each organization achieved on an annual basis. Based on the data gathered, organizations were placed into one of four categories. Here are the definitions of how firms were categorized:

A. Level I firms do not have a formal sales training program or process—sales reps are left to their own devices about how best to sell.

B. Level II firms conduct sales training and have a formal sales process but only encourage reps to use the knowledge and principles introduced and follow their sales process.

C. Level III firms conduct sales training, have a formal sales process and expect reps to apply the knowledge and principles introduced and follow their sales process.

D. Level IV firms conduct sales training and have a formal sales methodology and process. Sales reps are held accountable to practice and apply knowledge and principles learned, and managers are also held accountable to provide coaching and feedback.

The following table illustrates the percent of sales quota achieved of firms in each category:

| Type of Firm	% of Quota Achieved
Level I	60%
Level II	54%
Level III	59%
Level IV	68%

Level I firms who provide no formal sales training or process achieved performance to quota that was 11% better than Level II firms who provide both sales training and a process, but only encourage people to apply what they have learned. Level III firms who also provide both sales training and a process and expect people to apply what is learned performed essentially at the same as Level I firms who employ neither sales training or a formal sales process.

The conclusion we draw from analyzing the data is this; sales training and sales process either have no material impact on improving sales effectiveness, or they can actually hinder performance, because they lack true accountability to ensure knowledge learned is practiced and applied along with steadfast adherence to a formal sales process.

This data supports the memory and learning research conducted by G. V. Goodard[2], John R. Anderson[3] and others who have found that without a formal process to hold people accountable to immediately apply and reinforce training material, retention falls at an accelerating rate.

Consequently, there is little to no behavior change or performance improvement. Goddard's research is known for the "Forgetting Curve" which illustrates that without reinforcement and application within 48 hours of a learning event, 75% of the information covered is forgotten.

The Forgetting Curve
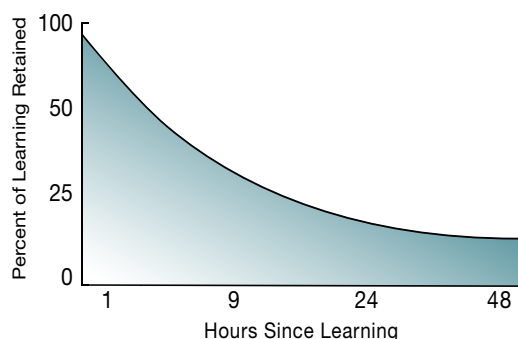
This research also supports the principle that if sales training is "event-based" it may even hinder performance due to creating cognitive dissonance—the psychological phenomenon that creates stress within an individual resulting from internal conflict.[4] If an individual is introduced to knowledge and concepts they do not believe they are capable of applying, anxiety results that hinders performance. This would explain why Level II organizations' performance, on average, was 11% lower than Level I organizations who provide no sales training. Without

a formal process to practice and apply what is learned and also receive positive reinforcement and effective coaching, the performance of individuals' experiencing cognitive dissonance will decline.

Level IV firms' performance to quota was 13%, 26% and 15% better than Level I, II, and III firms, respectively. This finding clearly supports the notion that converting knowledge into performance requires accountability and the experience of practicing and applying what has been learned. It also validates the importance of sales managers being held accountable for effectively coaching staff, as this leadership activity is a critical link in the performance improvement process.

Imagine if you are a Level I, II, or III firm. What would an increase of 13%, 15% or 26% in sales would mean to your organization? If your sales teams' annual revenue last year was $100 million, successfully transforming your sales organization and culture by becoming a Level IV firm would boost your sales $13 million to $26 million.

Reducing the Cycle Time to Proficiency

Most organizations employ event-based training and falsely conclude that they have accelerated learning by introducing people to knowledge, principles and concepts in one, two or even five day events. The fact is, providing information, which is the essence of event-based training approaches, cannot significantly improve performance if most of the knowledge shared is forgotten with 48 hours (*The Forgetting Curve*).

Improving the effectiveness of a salesperson (or team) requires embracing a customer needs-focused sales methodology, and being held accountable to consistently practice and apply the principles over time—until proficiency is achieved. Yet most firms leave this to chance. The accumulation of experience is necessary in order for performance improvement to occur.[5]

It may appear on the surface that process-based learning approaches take longer to produce results than event-based approaches. The research, however, does not bear this out, because event-based approaches rarely produce any significant performance improvement whatsoever. The truth is the only chance an organization has to significantly improve the performance of its sales organization is to commit to a process-based, experiential learning approach.

Reducing the cycle time to proficiency of your sales force is a key driver to helping sales executives and sales training professionals get a good night's sleep. But there are no short-cuts.

The research suggests (and our experience corroborates) that unless an organization makes the commitment to implement a sales methodology and process that holds both sales reps and their managers accountable for practicing and applying the knowledge, concepts and principles learned—it is a waste of both time and money.

The good news is sales increases of 20% or more can be achieved by creating a culture of discipline through implementing a customer needs-focused sales methodology that sales people and managers buy-in to and are held accountable to execute. We know this, because our clients have been doing it for decades.

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Notes:

[1] CSO Insights, *"Sales Effectiveness Insights – 2005 State of the Marketplace Review"* (Mill Valley, CA: Sales Mastery Press, 2005)

[2] Abraham, W. et. al., *"Memory Mechanisms: A Tribute to G.V. Goddard"* (Hillsdale, N.J.: Lawrence Earlbaum Assoc., 1999)

[3] Anderson, J., *"Learning and Memory"* (New York: John Wiley, 1994).

[4] Festinger, L., *"Cognitive Dissonance," Scientific American,* 207, 93-96 (1962).

[5] Fred, C., *"Break Away – Using Speed and Expertise to Deliver Value to Customers"* (Boulder, CO: Grand River Publishing, 2000).

For more detailed information on implementing a service-selling process that reinforces your values, see our other white-papers at: