THE INTERNATIONAL

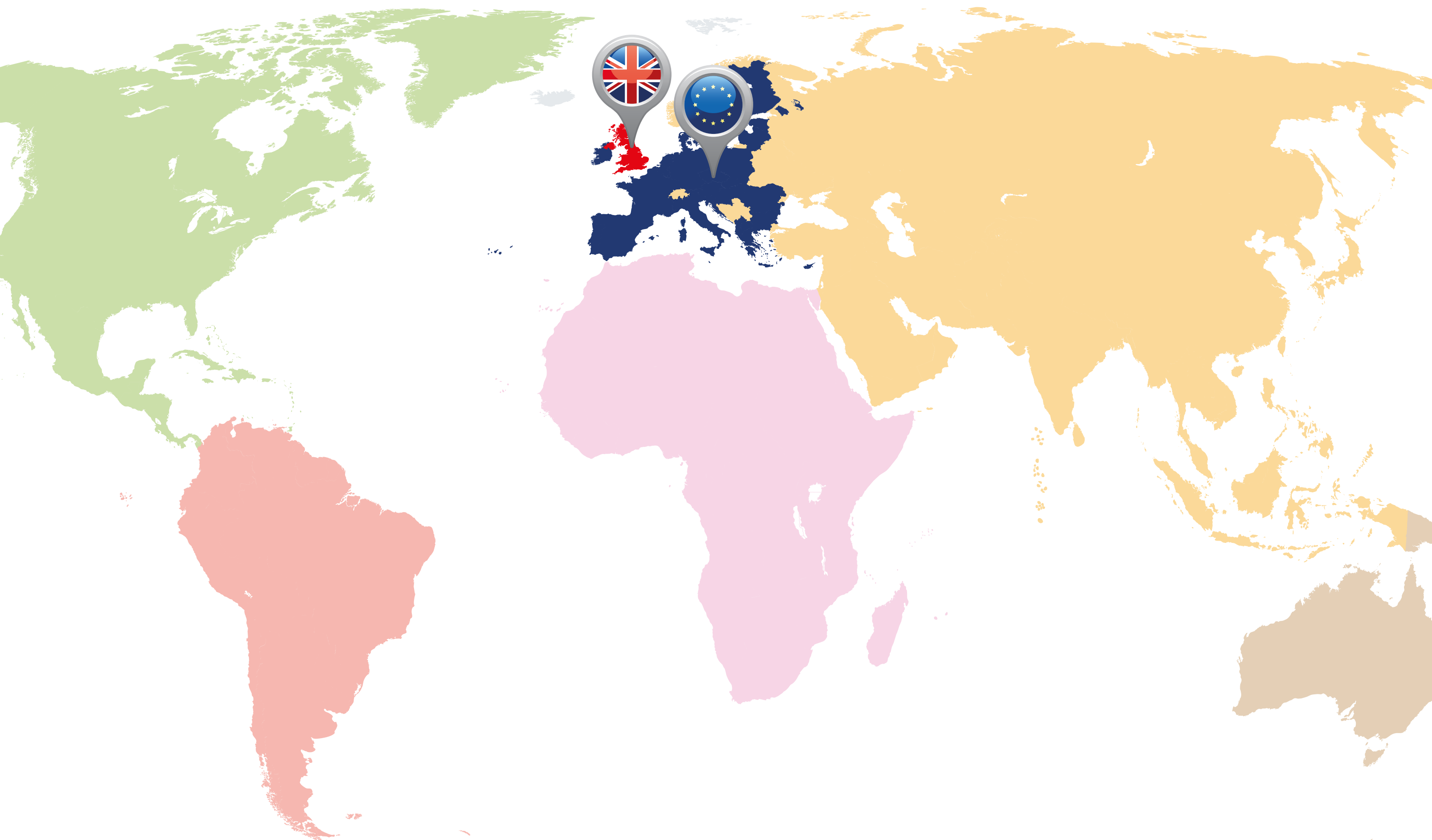
Journal of **Sales Transformation**

SEPTEMBER 2016/ISSUE 2.3/ISSN 2058-7341

28 PAGES OF RESEARCH-BASED INSIGHT, INCLUDING: SAP SALES LEADER ON COACHING… THE ANATOMY OF A BANKING PRODUCTIVITY PROGRAMME… RESHARPENING CUSTOMER FOCUS + SALES RESEARCH ROUND-UP

BREXIT: SALES LEADERS' REACTIONS FROM AROUND THE GLOBE

Our View p9 / News: Journal and APS surveys p10-11 / In-depth survey analysis p 47



90% of what it takes to win lies beneath the surface

PSP – for people who are serious about winning

Themes

Relevant research, global focus, contemporary issues

Transformation-related research that's relevant to business

One of the Journal's strengths is an ability to bridge the gap between academia and business, which is why we're always pleased to publish research by sales practitioners. This edition is no exception with contributions from sales leaders, consultants and academics.

It features an abridged version of Brice Faure's excellent Masters dissertation on coaching for sales management within tech giant SAP. If you want an insight into what organisations are going through in the context of their various transformation efforts, turn to pages 20-27.

Step across to financial services and retail banking on pages 28-33 to understand how one leading bank sought to deliver a step change in productivity. Mark Hixon relates how they achieved success through the introduction of a behavioural operating model for branch teams and, most importantly, team managers.

Continuing the theme of research and its practical applications, Roger Brooksbank from the University of Waikato in New Zealand seeks to provide an agenda for helping salespeople to work continuously to sharpen their customer focus by comparing this new model of personal selling with the marketing process (pages 34-37).

For an extremely useful round-up of all the latest sales-related research, turn to our "Research Review" (pages 38-42), edited by Jeremy Noad.

Global approach

In this edition, we continue our policy of publishing contributions from around the world, starting with our "Upfront" section (pages 6-7) in which talented women sales leaders from the USA discuss their success at the recent Women in Sales Awards North America. Two of the brightest

international talents in the world of sales-related academia fill our "Guest View" and "Insight" slots: Dr Javier Marcos, Director of Custom Programmes at Cambridge Judge Business School explores the dynamic management of paradoxes within sales leadership as a preview to a series of articles in the Journal (pages 8-9); and Professor Nick Lee of Warwick Business School picks up where he left off in the previous edition to discuss how "acting like a scientist" can improve your management approach (pages 14-15).

"My Journey" profiles onetime US medical rep Tim Walbert, now CEO, Horizon Pharma, a $3 billion company with big ambitions (pages 16-19). We then travel to northern Europe for the finals of the European Sales Competition. Annie Dunning recounts her role accompanying two students from Portsmouth Business School to participate in the event at Haaga-Helia University of Applied Sciences (pages 52-54). Competition co-directors Pia Hautamäki and Sini Jokiniemi describe how this event offers an opportunity for coaching, judging and learning B2B selling (pages 55-57).

Brexit

Nothing exemplifies the Journal's twin visions of publishing original research and taking a global perspective more than our recent Brexit survey, for which we received replies from 17 countries. You can read "Our View" about Brexit on page 9 and summaries of our Brexit research – conducted in conjunction with CEB, Consalia, Cranfield University, the Summit Group and the Women in Sales Awards – plus parallel research by the Association of Professional Sales among its membership (pages 10-11).

Snapshot

TIME TO GET TO GRIPS WITH DIGITAL

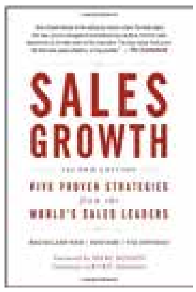
BY 2017, 60% OF ALL US RETAIL SALES WILL INVOLVE THE INTERNET, either as a direct e-commerce transaction or as part of a shopper's research via an online device, according to Forrester's 2013 report US Cross-Channel Retail Forecast, 2012 to 2017.

SOME **10.3% OF ALL RETAIL SALES IN THE US ARE EXPECTED TO BE ONLINE PURCHASES**: THAT'S **$370 BILLION IN WEB SALES** OUT OF $3.6 TRILLION TOTAL RETAIL SALES.

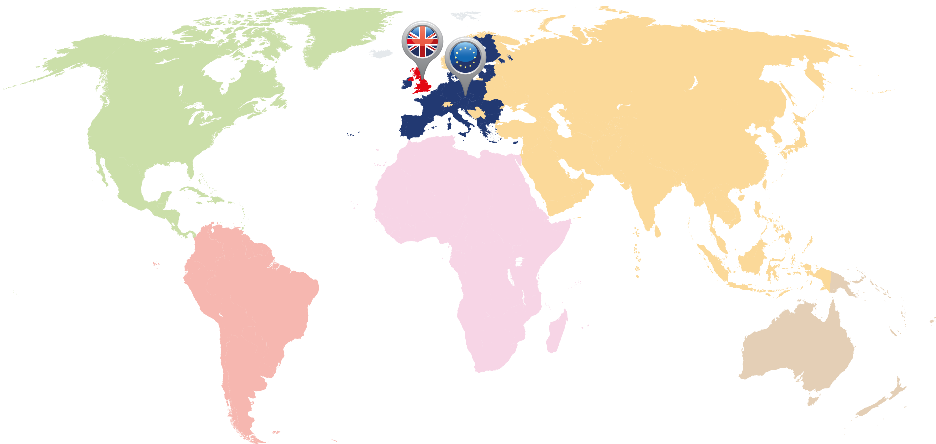
In 2015, **digital channels** provided at least a **fifth of revenues for 41 percent of fast-growing B2B and B2C companies** surveyed by McKinsey, compared with 31 percent at slow-growing ones.

Most sales executives said their companies were increasing digital investment but **under 40% believed they were "even moderately effective at it"**; only "17 percent rated their capabilities as 'outstanding'".

MCKINSEY AUTHORS HAVE RECENTLY RESEARCHED THE SECOND EDITION OF SALES GROWTH: FIVE PROVEN STRATEGIES FROM THE WORLD'S SALES LEADERS. THIS DISTILLS INTERVIEWS WITH OVER 200 B2B AND B2C SALES LEADERS AT SOME OF THE WORLD'S MOST SUCCESSFUL COMPANIES.

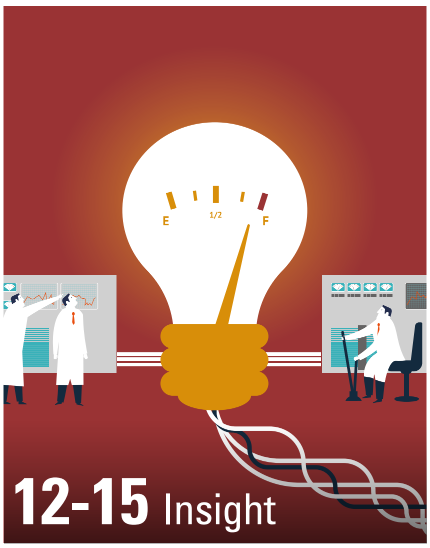


In this issue: Q3 2016



On the cover: Brexit

There's no getting away from the fact that Brexit was a shock for many, and the vote has opened up political and economic fault lines not just in the United Kingdom but regionally and perhaps globally. Much of the media's immediate post-referendum coverage was shallow to say the least. However, respondents to two surveys – one conducted by the Journal in partnership with CEB, Consalia, Cranfield University, the Summit Group and the Women in Sales Awards, and the other by the APS – provided some real-world insight into sentiment among those who are perhaps closest to the action: the international sales community. The Journal's research involved responses from 17 countries with many participants taking the time to provide considered responses to a wide range of sales-related questions.



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> “There is more than one ‘type’ of great sales leader. I would say that ‘authenticity’ is critical.

Setting the bar higher

We asked three winners from the Women in Sales Awards North America about what this success means to them.

Nick de Cent

The sales director

Ginnette Harvey, Chicago – VP, Specialist Staffing Group

“Winning the award made me pause to reflect on the amazing journey I’ve been on and I took a rare moment to internalise and celebrate my career success. My family, friends and co-workers were unbelievably supportive and universally proud of my achievements, which felt amazing.

“There is more than one ‘type’ of great sales leader. I would say that ‘authenticity’ is critical: know who you are as a sales leader and what you bring to the table rather than trying to conform. The things that I personally value, demand in others and which I bring to the table are: drive, passion, relentless desire for self-development and improvement, empathy and emotional Intelligence.

“I really enjoy working with such a talented team and building a truly entrepreneurial business that I’m excited about every day. Managing people is hard; you can’t half-step it or else it’s not worth doing.

“Many of the female sales leaders I’ve worked with bring an entirely different perspective to the room: whilst I’m aware it’s a generalisation, they do seem to read people and their emotions a little better; women also tend to set the bar for excellence a little higher, in my opinion, due to the combination of ‘over-achiever’ syndrome and increased propensity for ‘self doubt’.

“The only limitations to what you can achieve are self-imposed. It’s okay to get out of your comfort zone, set goals that feel a little too big and you will be surprised at what you can accomplish.”

Ginnette Harvey was voted the best woman sales director of 2016.

The talent expert

Tammy Davidson, Florida – SVP of Client Services at Right Management

"Professionally, the recognition has been more than I thought it would ever be. Our clients and other professionals I work with are thrilled to tell me how grateful they are to have the 'best in class' supporting them and are recommending me for other opportunities both for sales and professional growth.

"A salesperson needs three major skills: the ability to build relationships, to be a genuine and sincere leader/partner, and they must have business acumen. It is simply not enough in the business environment today to know the products and services.

"The best part of my job is to find solutions that make our clients successful and bring lasting outcomes: helping them in times of great need and being recognized as a thought partner they can lean on, get advice from, and seeing others achieve their goals. The hardest part is organizing the demands of the time, exceeding expectations while maintaining work/life balance.

"Having the opportunity to learn more about other women and how they have been successful has been rewarding. Women bring a unique perspective of intuitive sales and relationship skills. Great saleswomen have an ability to go to the heart of a matter in a tactical and strategic way without overwhelming the client and can gently guide them to a solution.

"I recommend WISA to other women so they can be inspired, network with others and gain insight into all the possibilities they can achieve!"

Tammy Davidson was voted the best woman in professional service sales and the most distinguished saleswoman of 2016.

The BD specialist

Suporia Anthony, Atlanta – Smart Solutions Consultant, Kimberly Clark

"This win commercialized all the work I've put in that many otherwise wouldn't have known about. For my career, it has afforded me exposure, recognition and a great mentoring relationship. My family was extremely proud as well as my co-workers.

"Regarding skills salespeople need today I would highlight championing change, knowing how to take a no, and keeping an end goal in mind. Women naturally multi-task, manage a vast array of different stakeholders effectively, and have a deep understanding of what it means to nurture – these are key to being able to bring a sale to close and manage a relationship in tandem.

"The best part of my role is my customers. I get to work with business owners whose businesses have come through their family for generations, so it isn't "just business" for them. The most challenging part of my job is not seeing customers face to face: body language is a critical component of relationship building and we cannot leverage that aspect in inside sales.

"My advice is to bring your authentic self to every sale; sales is about relationship and people want to connect with genuine people. Leadership is about connecting with people and connection requires authenticity.

"I entered the awards to show women there is still glamour in sales. It is not all bag toting, door knocking, and cold calling but a career that teaches you skills that can serve as cornerstones to growth and development."

Suporia Anthony was voted best woman inside sales 2016.

Guest View

Sales Leadership: the dynamic management of paradoxes

Dr Javier Marcos

Leading modern sales forces requires us to develop synergies between paradoxes that may initially appear irreconcilable.

> *A key challenge for sales leaders is how to design and manage sales organizations that can respond to potentially diverging forces*

I'm aboard the "Baie de Seine", the ferry that covers the route Portsmouth–Bilbao. I am sitting at the back of the vessel watching the foamy trace it leaves on the sea and the seagulls that escort the ship, relentlessly defying the winds. It's a beautiful sunny day, we are enjoying a mild sea and I'm about to start my holidays after having closed our financial year a couple of weeks ago.

I reflect on what the year has brought about… and the meaningful lessons learned. A vivid thought that comes to mind is the dynamic shifting I've experienced across the dimensions of my role as head of sales of customised executive education programmes at Cambridge Judge Business School.

As with many sales leaders, I have found myself constantly moving backwards and forwards between focusing on the top line (ie, revenue) and the bottom line (ie, profit). The achievement of these two overarching objectives often requires distinct mind-sets, a "growth" one in the first case, and an "efficiency" one in the second case.

Dual objectives

The accomplishment of my organisation's objectives has required focusing both on strategic as well as on relatively transactional customers. The way I conceptualise the management of these customer groups is entirely different, and so I aim to stimulate different execution strategies for these customer segments within my team.

In today's fast-moving markets, it appears to me a key challenge for sales leaders is how to design and manage sales organizations that can respond to potentially diverging forces, ones pressing in the direction of reducing costs to serve and others in the direction of co-creating superior customer value. This is a paradox that most sales leaders need to grapple with.

Overall, based on my experience, I find there are other key paradoxes or dilemmas that could be grouped into four dimensions: managing the business and customers, the organisation's offerings, the people, and oneself (see diagram 1). Each of these paradoxes can manifest itself as a continuum between two opposing poles.

DIMENSIONS	KEY PARADOXES AND POLES		
Managing the business and customers	Emphasis on strategic customers Internal focus Focus on efficiency (cost) Long term Outcome-driven	vs	Emphasis on transactional customers External orientation Focus on effectiveness Short-term orientation Input-driven
Managing offerings (products & services)	Emphasis on revenue Resourcing small product/service excellence	vs	Emphasis on profits Resourcing large deals Customer management excellence
Managing people	Providing freedom Motivating intrinsically Recruiting inexperienced Conflict avoidance	vs	Seeking control Motivating extrinsically Experienced salespeople Constructive conflict enabled
Managing oneself	High requisite variety (generalist) Mind-set focus: on the concrete	vs	Low requisite variety (specialist) Mind-set focus: on the general

Diagram 1: managing across four dimensions.

Embracing inconsistency

As I stare at the sunset over the bay of Biscay, I realise that these paradoxes are not irreconcilable, but mutually reinforcing. Sales executives need to reconcile this polarization, ensuring an encompassing approach can be taken, catering for both the left and the right pole of the paradox. The management of increasingly complex customers will often involve conflict and uncertainty, given the coordination of activities across functions with low goal congruence.

Leading modern sales forces requires developing a new paradigm focused on connecting both poles and seeking the generative synergies that linking the two may bring about.

The paradoxes outlined above are different in nature, and thus, rather than making them compatible, paradoxical thinking suggests embracing inconsistency as a valid schema, just as most traditional schema favour demarcation of options. Working with modern sales forces, increasingly knowledge-based workers, calls for an approach that can make compatible efficiency-oriented practices in transactional business and effectiveness-oriented management styles for developing key customer relationships.

Ambidextrous organisations

A useful lens to conceive the paradoxes can be borrowed from research in innovation. It is argued that, in order to compete in the long term, companies have to develop the ability for both exploring new opportunities and also for exploiting existing capabilities. Firms that can simultaneously manage exploration and exploitation are referred to as ambidextrous.

Ambidextrous organizations

combine contradictory mechanisms that are characterized by decentralization and formalization. Ambidextrous organizations require leaders who have the ability to understand and to be sensitive to the needs of very different kinds of businesses. Ambidextrous managers posses both systematic analysis as well as free-thinking abilities. We claim that the future sales organizations will require higher levels of ambidexterity in sales leaders.

I argue that sales leaders today cannot afford to address one side of the paradox; they need to address both. The changing nature of professional selling has brought about new challenges for sales leadership, and these challenges are so complex that a single approach is unlikely to work in isolation.

As I bring the writing of the article to an end, the sea conditions worsen gradually. The waves have started to rise and the pleasant breeze is turning into a gale. For some reason the gulf of Biscay is thought to be one of the hardest sailing areas even for experienced crews. But that is what good sailing takes, the ability to navigate predictable as well as unexpected seas…

Looking forward

Over the next four editions of the *International Journal of Sales Transformation*, I will address some of the paradoxes underpinning the effective running of sales organisations and will seek to help sales leaders navigate through the modern sales force, whether next year brings calm or storm.

Javier Marcos is Director of Custom Programmes and Senior Faculty in Management Practice at Cambridge Judge Business School.

Previously, he was a Senior Lecturer at Cranfield School of Management. He was visiting faculty at the University of Portsmouth, University of Eastern Finland, IESEG (France) and affiliate faculty at the William Davidson Institute (University of Michigan). Prior to his career in academia, he worked for Unilever, holding management positions in Spain and in the UK.
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Our View

A battle of ideologies

In the main, businesspeople and especially salespeople are a pragmatic bunch. They're resilient, happy to take things in their stride, and seek opportunity whatever the circumstances. All of which came across in our post-referendum Brexit survey conducted in conjunction with a number of world-class organisations.

What also became apparent was that the sentiment of the majority of respondents was largely cool-headed, albeit that some responses reflected the frenzy of (sometimes ill-informed) media and political comment given that our poll was conducted so soon after the vote. Fears cited included the potential breakup of the union, an inward-looking UK and declining international influence for the country.

Most, however, were content to take a watching brief and consult various stakeholders: customers, partners and employees. Indeed, it is to the credit of the many people who took the time to detail business advantages and disadvantages specific to their company or sector.

Dismal science

It's a fundamental truism that economics – the dismal science as Thomas Carlyle termed it – is not especially good at predicting the future and markets fluctuate on a second-by-second basis: it's trends that matter. Moreover, where there's disadvantage for some, there is opportunity for others.

As renowned Nobel prize-winning economist Joseph E Stiglitz wrote recently, "Digesting the full implications of the United Kingdom's 'Brexit' referendum will take Britain, Europe, and the world a long time."

Only now is it emerging quite what a seismic shift the Brexit vote has sparked. Long-established (but not invulnerable) economic orthodoxies are under the spotlight across Europe, while politicians are being challenged to respond constructively to vast swathes of the population who have registered their discontent at being disenfranchised and, as they see it, excluded by globalisation. We look set for a titanic struggle between the ideologies of Keynesian economics and neoliberalism.

Disruptive change

Moreover, society will have to contend with ever more disruption in future as technology innovation continues to transform the way we live: for example, if taxi drivers and train crew are currently up in arms about threats to their jobs, how much more challenging will the situation become when vehicles become fully autonomous? These are questions for policy makers and business leaders to address in the best interests of society at large.

> *"We look set for a titanic struggle between the advocates of Keynesian economics and neoliberalism.*

In his recent article for Project Syndicate, the Keynesian-leaning Stiglitz wrote: "On both sides of the English Channel, politics should now be directed at understanding how, in a democracy, the political establishment could have done so little to address the concerns of so many citizens. Every EU government must now regard improving ordinary citizens' wellbeing as its primary goal. More neoliberal ideology won't help.

"And we should stop confusing ends with means: for example, free trade, if well managed, might bring greater shared prosperity; but if it is not well managed, it will lower the living standards of many – possibly a majority – of citizens."

One thing is clear: with change comes opportunity for sales professionals. What's more, the profession itself won't be immune to change. It is against this background that we must equip ourselves to take advantage of what's coming by optimising our business skills and boosting the professionalism of the entire sales community.

- **To share your views, please email us via editor@journalofsalestransformation.com.**

Industry plays waiting game as research captures immediate aftermath of Brexit vote

Sales leaders and other senior executives are playing a waiting game following the UK's 23 June referendum vote to leave the European Union. At the same time, many respondents to an *International Journal of Sales Transformation* survey were going into an information-gathering cycle to understand the repercussions in relation to their customers and markets.

Some 90 senior businesspeople from around the globe responded to an in-depth survey carried out in conjunction with CEB, Consalia, Cranfield University, the Summit Group, the Women in Sales Awards and select global corporations.

More than half of respondents felt unprepared (44.7%) or very unprepared (14.5%) for Brexit, while about a third considered their firms to be prepared (26.3%) or very prepared (6.6%).

Respondents were drawn from 17 nations – with the majority in the UK, USA, Canada and continental Europe. There were also responses from as far afield as Australia, Hong Kong, Japan, Korea, the Philippines and Singapore.

The majority of respondents (43%) were from senior management, listing their role as sales director (21%), channel sales director (3%) or board level (19%). There was a significant contingent listing their role as "other" and this category also contained a high proportion of senior managers such as vice-presidents, European-wide roles, and managing directors, as well as sales excellence/ training managers and academics.

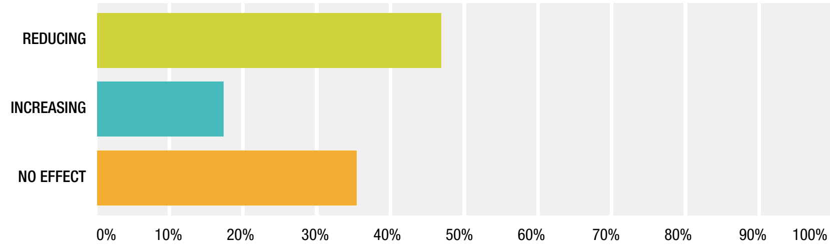
Individuals were drawn from large global organisations with more than 10,000 employees (the biggest group of respondents at 31%) and smaller firms focused on sales excellence (1-10 employees – 25%, 11-50 employees – 18%).

Advantages and disadvantages

Questions about the main business advantages and disadvantages of the Brexit vote over the coming 12 months delivered a surprising variety of responses. Less surprisingly from an international business audience, around a third of respondents was able to divine no business benefit from the referendum result; at the same time more than a third cited uncertainty/loss of confidence as the principal of disadvantage arising.

Q15 What impact do you see Brexit having on the number of opportunities for your business over the coming 12 months?

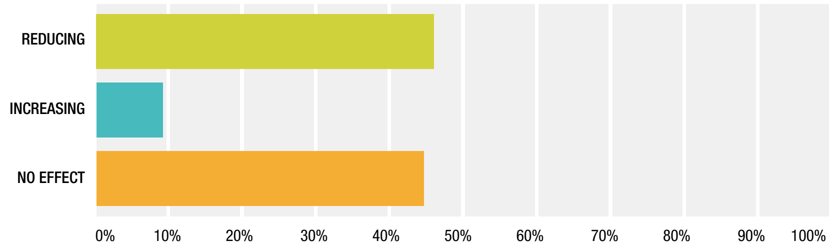
Answered: **76** Skipped: **15**



Predictions around the number of business opportunities were not clear-cut: While some 47% expected the number of sales opportunities to reduce over the coming 12 months, 17% actually saw them increasing and almost 36% predicted no change – meaning that there is actually a slight majority (53%) of sentiment predicting business as usual or better.

Q16 What impact do you see Brexit having on your average deal size over the coming 12 months?

Answered: **76** Skipped: **15**



The Brexit result was deemed to have relatively little impact on deal size: While some 46% see deal size reducing over the coming 12 months, equally almost 45% foresee no effect on average deal size; meanwhile, slightly over 9% actually see deal size increasing. Thus, a clear majority see no short-term impact on average deal size. (Editor's note: It should be remembered that survey respondents are drawn from all around the world and many are global companies.)

Response on the ground

A significant number of organisations were stepping up communication as they moved to reassure customers and employees. Some of this effort revolved around the rights of UK nationals to work in Europe and for EU citizens to work in the UK. While some organisations said they would move towards a focus on continental Europe – one global IT organisation suggested it would reduce its number of UK-based sales staff while augmenting its EU-based teams – others were looking to focus more on English-speaking territories, concentrate on the US and Asia, or position themselves as global players.

Business as usual ("carry on regardless"), looking for the opportunities, and making the sales function more competitive were just a few of the sentiments expressed by respondents to the survey. Practical measures included boosting business development, building a partner network in Europe and managing currency issues. Several saw opportunity in the post-Brexit world to take advantage of potentially lower UK corporation tax rates or to make cut-price acquisitions as a consequence of the fall in sterling. **For in-depth analysis of our post-referendum survey, please see pages 47-51.**

Fear of uncertainty dominates post-Brexit poll sentiment

A majority of sales leaders in the UK believe that they will suffer a decline in business following the decision to leave the European Union, according to a poll conducted by the Association of Professional Sales (APS) in the immediate aftermath of Britain's vote to leave the European Union. Just under two thirds (63%) of those who took part in the survey said they believed Brexit would have a negative effect on their organisation.

Of these, 94% were worried about the negative impact of market uncertainty. Fluctuations in the value of sterling, possible cuts to investment and new trade barriers were also cited as fears. More than 45% said they feared the pipeline of new sales orders would start to dry up.

APS CEO Andrew Hough told the *Journal*: "Having educated, knowledgeable sales professionals will be even more important as we look ahead to the opportunities of selling to a broader range of markets."

Andy Hough: educated, knowledgeable sales professionals even more important.

Jobs in the sales industry were also addressed in the APS opinion poll, but here the mood was more positive. More than half of those who took part in the survey (52%) believed the decision to leave the EU would not affect their staffing levels. Seven per cent suggested they might even need to hire more staff. In contrast, 41% feared that staff cuts could be on the cards in the future.

Questioned four days after the result of the referendum was announced, two sales executives said they thought there had already been a tangible effect on business, with sales projects delayed.

Despite the fears, some sales leaders were looking on the positive side, with one predicting that greater competition would be good for business.

Fundamentals

Hough said: "The EU referendum result has not changed the fundamentals of the UK economy. This is not a global crisis but the repositioning of the United Kingdom and possibly the markets we will serve in the future.

"It is vital that the UK continues to build its position on the global trading stage. At the moment the markets are understandably volatile, but as things become clearer over the coming weeks and months, the companies that develop their sales teams and invest in their skills will have a clear competitive advantage.

APS chief operating officer Nick Laird said: "When it comes to business, uncertainty is still the biggest killer. If everything around you appears to be fluid: the markets, your currency and business sentiment, trust between the seller and the customer can be the glue that holds a deal together.

"We believe the APS, with its professional registration and code of conduct, is well-placed to help support and develop sales teams to cope with the fast-paced, changing and uncertain market which we now face."

Laird added that sales organisations might need to change the way they do business to respond to the changed times.

Changing models

"Skilled, professional salespeople know that in a difficult economic climate, their commercial model may need to change. Anxious customers will be watching their costs, and smart sellers may need to negotiate deals that reduce up-front payments.

"This is the model that is used successfully by many software companies, where an ongoing fee for licensing and support brings down initial costs, reduces the risk for cautious customers but keeps deals alive."

The APS will be running a monthly Brexit Sentiment Tracker and would like your input as a sales professional. For more APS news on Brexit and other current issues, visit: http://associationofprofessionalsales.com/news/.

What the survey participants said

"My role is global and so I think my clients will stop spending as they wait to see what additional costs will be expected as the fallout from the referendum takes place. We have already had two projects put on hold."

"Many international companies buy from us because we are within the EU. This will be under threat."

"Better trade agreements with non-EU countries, [and] positive immigration [will help with] attracting global talent."

Survey results in detail

Positive or negative? – About one in ten (12%) were optimistic about the result of the EU referendum. Roughly two thirds (63%) of those who took part in the survey for the APS were negative.

Customers – When asked about their customers, APS respondents were more downbeat. They said 73% of their customers felt negative about leaving the EU.

Job prospects – Half (52%) said they didn't think the decision would affect their staffing levels. Seven percent could imagine recruiting new staff, but 41% thought they would need to cut staff. Meanwhile, an update to the survey found that 53% currently think that the referendum decision will not affect their staffing levels; 49% believe that being outside the EU will not stop them from hiring the best people; however, 17% thought that staff retention would suffer as a result of leaving the EU.

Reasons for negativity – Market uncertainty (94%), cuts to investment (71%), currency fluctuations (62%), concerns about trade barriers (53%), staff retention (30%).

Reasons to be cheerful – New business opportunities (76%), more control as business decisions should be made in the UK without a role for Brussels (66%), less red tape (45%).

Who took part? – Of the 283 who responded to the APS survey, more than 90% are senior in the sales profession, either as sales managers, sales directors or executives at board level.

Bob Apollo on Building Scalable Businesses

Bridging the sales performance gap

Bob Apollo

In the majority of sales organisations, a high percentage of sales revenue is generated by the same minority of top sales performers, quarter after quarter. According to research published by the CEB in *The Challenger Sale*, this performance gap between top salespeople and the rest is amplified in complex, high-value sales environments.

They found that, in a transactional selling environment, the performance gap between average and star performers was 59 percent, but in complex sales environments the gap was almost 200 percent – more than three times as wide. It's clear that even a modest narrowing of this gap could drive a dramatic improvement in revenue.

Ineffective strategies

The natural response from many sales leaders faced with this situation is to resolve to hire smarter next time, or to invest in sales training, but neither strategy seems to have a particularly good track record. When it comes to recruitment, it seems that there simply aren't enough natural high-performers to go around.

And when it comes to sales training, there's abundant evidence – much of it from the training providers themselves – that simply putting salespeople through an occasional series of training courses does little to drive sustained performance improvement.

In the post-startup, pre-corporate, growth-phase companies with which I largely work, my observations suggest that the only lastingly effective way of bridging this sales performance gap is through a programmatic approach that engages every member of the sales team in the quest for continuous improvement.

Important contributor groups

There are two particularly important contributor groups: the first group are our current top performers; through a combination of interview and observation we need to understand what they know and do at each stage in the sales cycle, and encapsulate this learning in defined yet adaptable sales processes that serve to guide the actions of every member of the organisation.

The other critical constituency are our first-line sales managers; if they haven't bought-in to the concepts, and if we haven't prepared them to coach and mentor their teams, all the evidence suggests that our chances of executing a successful change programme are slim to none.

Collective approach

I've come to believe that the key to success lies in getting the whole sales organisation to feel a sense of collective ownership of the performance-improvement programme. They need to be actively engaged in helping us establish what good currently looks like – and what great could look like if we could only get everyone pulling together.

Some find this hard to reconcile with the traditional view of the independently minded top sales performer whose overarching goal is to achieve their number and maximise their commissions, without much concern or regard for how their colleagues are doing.

But I think many sales leaders have already recognised that this is an ineffective and unsustainable model. The rate at which salespeople and teams need to learn and adapt to an ever more demanding customer base means that collective learning and sharing of best practices has become an essential foundation for top performance – and something that even the "lone wolves", no matter how successful they might have been in the past, can afford to ignore.

If it is to have maximum impact, this team effort needs to embrace more than just the sales organisation. In many of today's fastest-growing companies, marketing's role has evolved far beyond branding, demand generation and brochures to a genuine partnership with sales in which an increasing amount of their effort is directed not to just finding opportunities, but providing the sales organisations with the tools to progressively qualify and close them.

Key takeaway

If you're serious (and why wouldn't you be?) about bridging the sales performance gap, I suggest you start by understanding the common characteristics of your top performers, analysing what they know and do at each stage in a successful sales campaign, and working out how to guide the remainder of your sales team to replicate these winning habits.

About the author

Bob Apollo is the CEO of UK-based Inflexion-Point Strategy Partners, the sales and marketing performance improvement specialists. Following an eventful corporate career, Bob now works with a growing client base of UK and European-headquartered B2B-focused expansion-phase technology companies, helping them to find ways of systematically accelerating their revenue growth.

Nick Lee on... The Joy of Experiments

Acting Like a Scientist

Professor Nick Lee

In the last issue of the *Journal*, I wrote about the importance of thinking like a scientist. In simple terms, this is the process of asking the right questions, and avoiding assumptions and ideologies about what "should" be the right answer. If you've digested that column, and are ready to think about how best to go about answering those questions, then read on.

However, if you didn't read last issue's column, it would be a great idea to go back and check it out, or refresh your memory if you need to. This is because, without asking the right questions, it doesn't matter how great your research design or your data is. Yes, even if you can get that fabled "big data" that seems to be presented as the answer to everything these days.

In fact, as I'll show you here, big data sure isn't the answer to everything – more junk is just more junk. Worse, it can even give you misleading answers, because people tend to trust the results of sophisticated research methods and fancy data, even if that data is basically meaningless. For example, I once did a piece of research that showed people trusted brain scan images more than anything else, even when those images were totally unrelated to the problem at hand!

To illustrate the dangers of relying solely on data, without thinking about research design, think about the following situations. How about we get some CRM system data, or social media data, or some of this "big data" everyone's always talking about, and then run some analysis? What if our CRM data shows us that salespeople who make more calls are the ones that are more successful? That's great news! Or is it?

The problem is, we have no idea whether there is some other factor that might be working here. Maybe, salespeople with a higher work-ethic make more calls, but also they work harder at preparing for those calls, which makes them more effective. Or salespeople with a more positive attitude make more calls, but are also more effective in each call because of their positivity. If you just assumed it was call rate that was the key factor, you'd be wrong in that case.

Causal influence

What we have is a situation that has been termed many things by scientists, including the problem of spurious correlation or the omitted variable problem. Whatever you call it, it means that we have not uncovered the true causal influence, and instead are seeing a relationship only because we have missed it out of our design. This in turn leads to poor management interventions.

For example, rather than incentivizing call rate, you might be better off providing improved training in call planning and suchlike, or improving your recruitment techniques. I see this kind of thing all the time these days, with the abundance of data from CRM systems and the like, allowing the mining of massive data sets for correlations (eg, the one between call rates and sales success), which may not really mean anything without taking account of omitted variables.

The solution to this is experimentation. However, hardly any firms I talk to take experimentation seriously as a way of finding answers to what works and what doesn't. I think this is a mistake, because experiments give us the best chance to find out what works and what doesn't.

About the author

Nick Lee is Professor of Marketing at Warwick Business School and the Honorary Chair of Marketing and Organizational Research at Aston Business School. His research interests include sales management, social psychology, research methodology, and ethics. He is Editor in Chief of the *European Journal of Marketing,* the Section Editor for Sales Research Methods for the *Journal of Personal Selling and Sales Management,* and he serves on the review panel or editorial board of several other journals. Nick is an Honorary Fellow of the Association of Professional Sales where he directs their research activities. You can contact him via Nick.Lee@wbs.ac.uk.

Randomization

The key tool in experimentation is called randomization. Let me explain using a typical experiment, say one where we want to find out whether changing to a 100 percent commission incentive plan will lead to greater salesperson performance. What we could do is split our salesforce into two groups, one that receives the new incentive plan, and one that stays on the old, and then measure their performance to see if it changes for the new plan group.

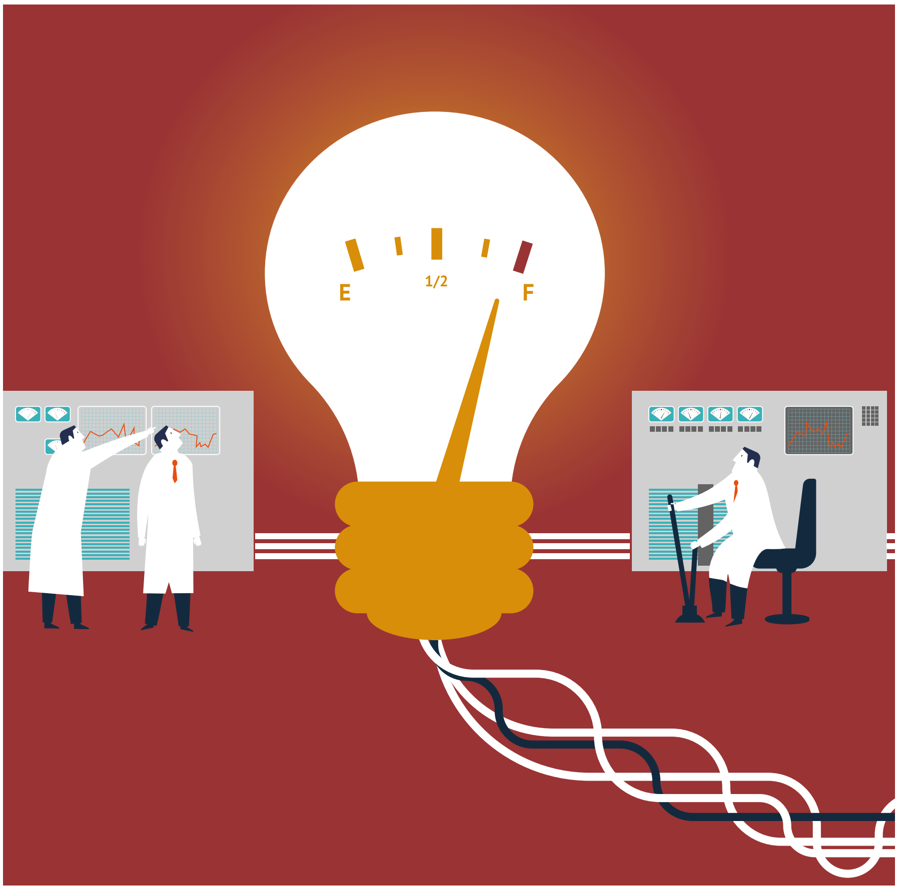
Actually, we might be better to split into three, with the third group getting some other changed plan.

This is because we need to rule out the possible explanation that just any change in incentive will cause some performance change. So anyway, the key is that the membership for those groups is selected completely at random. Doing so essentially equalizes the chance that there is some other influence on performance across the groups, so we can be much more certain if there is a difference across the groups, that it was caused by the new incentive plan and not something else.

Why do we need randomization? Well, there's a simple example which can show why, and a more scientific and complex explanation of that. I'll begin with the scientific explanation, and explain it with the simple example. In essence, there are lots of different things, which could influence our dependent variable (in our case, sales performance).

What about sales skills for example? Imagine one of the groups was full of the high-skill salespeople and one was not. Of course, that would influence the result, right? In such a case we could never determine whether it was skill or incentive plan that influenced sales performance. This is what we call a confound.

Randomization of group membership solves this problem, because if we truly randomly allocate salespeople to different groups, these differences (eg skills, intelligence, anything really) will even themselves out across the groups. Without random allocation, we can never be sure it is the independent variable (in our case incentive plan) that is causing the change in the dependent (here, sales performance).



> *Hardly any firms I talk to take experimentation seriously as a way of finding answers to what works and what doesn't.*

If this still doesn't make sense, consider the following example: another way we could allocate group membership is self-selection. In other words, we simply ask salespeople which incentive plan they want to have. You should be able to see the potential confound here. What if there is some important individual difference (like, again, sales skills) that would influence salespeople to choose one or another plan? I bet for example, better salespeople are more likely to choose the commission group. Again, we have a confound, and can never convincingly answer our research question.

In terms of science, randomization is an almost trivial effort, but in a business context it is hardly ever done. One problem is that sales managers are rarely trained in experimental methods – and even in a typical business school, only those who go through psychology-based programmes learn much about experiments anyway. But, even when firms collaborate with experienced researchers, experiments are rarely done.

Of course, I know the reasons why, because I've tried to conduct experiments like this in firms many times. Almost always, the key pushback is that we are somehow going to cause a problem because people are being treated unequally. Or, the firm is afraid to actually change something in case there is a decrease in performance. Both these concerns are well founded, but they bring us no closer to finding out what works and what doesn't.

Need for real-world sales research

We can work this way in the lab, using undergraduate students as subjects, and clever experimental designs to try to replicate the real world, but unless we get out there and dig into real sales forces, the knowledge we have is always partial at best. If we want to develop real knowledge of how to manage salesforces most effectively, what we need to do is work together to do good experimental research in real salesforces.

Next time, I will elaborate on this, and introduce the idea of control to our toolkit as another key part of experimental designs. In doing so, I will also explain some "sort-of" experimental designs, which we can use when the situation doesn't allow a true randomized experiment.

If you're interested in reading more, the last issue's suggestion of *Think Like a Freak* is still relevant. You could also read Richard Feynman's *The Pleasure of Finding Things Out*, which for me really expresses the joy of scientific research. In fact, most things he writes are fantastic.

From sales to leadership

Adam Hill & Deirdre Coleman

Tim Walbert, CEO, Horizon Pharma, explains how doing right by the patient can still lead to significant profits, but hiring the right sort of sales representatives is crucial.

Tim Walbert helped to launch two of the world's biggest-selling drugs, Humira and Celebrex, and is now in charge of a $3 billion company with big ambitions – plus he knows what it is like to be a patient at the sharp end.

That is quite a track record. Walbert started his pharmaceutical career in sales and believes that has given him the best possible grounding for leadership: the Chairman, President and Chief Executive Officer of Horizon Pharma recalls his early days on the road with some affection.

"When you come through pharma sales, you deal with rejection," he laughs. "You spend most of your time in your car, by yourself. When people say: 'Hey! I'm a people person – I want to be in sales,' they don't realise you're not spending that much time with people. It's a very brief period of time you get with the customer."

It follows that this experience – assuming you have a tough enough skin to thrive in the sales environment – crystallises such vital abilities as relationship building. "The skills you hone are learning to deal with rejection, overcoming that, understanding what patients want and how the health system works," Walbert continues. "If you haven't got that, how can you be in a leadership role where you create solutions and drive them through? That's the foundation for success for any good leader."

That's not all. While empathy with the doctor is important in pharma sales, it is crucial to be able to put yourself in the patient's shoes – and this is something that Walbert has no problem with. "I'm a patient myself," he reveals. "I've got an autoimmune disease and I've been taking a biologic medicine for about the last 16 years – so I come from a patient's view. If you start with the patient and then the physician who is treating them, you can understand each of their motivations and needs and pressures, then you've got a pathway to success."

An effective commercial model

Horizon is in good hands. Walbert took over in 2008 and the company has progressed from one medicine to nine (including arthritis brands DUEXIS and VIMOVO) – four of them for orphan diseases, which are rare illnesses that affect fewer than 200,000 people in the United States. Horizon now has more than 900 employees and is on track to generate over $1 billion in net sales this year. "We've made great progress in the last eight years," he says. "We've really grown our business."

> *The person they go to at the front desk is equally important to the sale as the person who is writing the cheque.*

Even more notably, this success has been possible with what many would see as a curious commercial model: the company in effect gives away many of its medicines. "In 2015, we had $757 million in net sales and provided more than $1 billion in patient assistance," he explains. Comprehensive assistance programs provide eligible patients with a range of support services, co-pay assistance and access to medicines for free or at a savings. "So our support for the patient greatly exceeded our sales – and that's unlike any company that I've seen in this sector."

Two factors align here: the first is the idea of supporting patients – many of whom have to take several products for chronic conditions (ie, long-lasting illnesses like asthma, diabetes or arthritis) – with financial help; the second is the ability to generate a lot of volume. Health insurance in the US is a major political and social issue, with the so-called "Obamacare" legislation passed in a bid to ensure patients receive appropriate financial cover from their insurers for the drugs they need. "We sell a lot of the medicine that isn't covered so we can give away a lot of the medicine that is covered," he says. "It's that simple: we have effective sales representatives and an effective commercial model that does the right thing for the patient. We sell a lot; we give away a lot."

Lessons learned

Walbert has learned many valuable lessons along the way in his pharma journey and distils the key leadership skills into three simple tenets:

1. drive for results;
2. deal with ambiguity and change; and
3. be prepared to stand alone.

He talks about the importance of having the "composure" to adapt to a changing commercial environment. "The way things were done before is not going to be the way they are done in the future."

The idea of standing up for what you think is right and then driving a strategy through is also vital. "There are a lot of people in big companies who really are afraid to represent their views and we believe that, if you have a seat at

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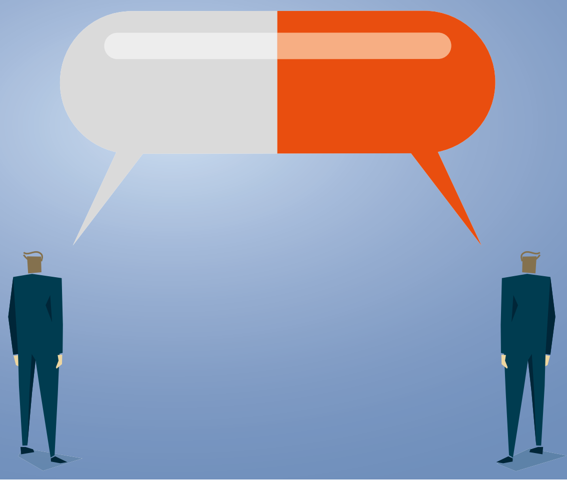
Horizon now has more than 900 employees and is on track to generate over $1 billion in net sales this year.

> *This success has been possible with what many would see as a curious commercial model: the company in effect gives away many of its medicines.*



the table, then you have a responsibility to speak up and be part of the team," he says. "Hierarchy and roles and titles don't matter; you're expected to stand up and represent your business."

Changing sales models

With this philosophy in mind, it is no wonder that Walbert has a very clear idea of what is required from the reps Horizon now hires."Sales has changed substantially," he points out. "The old way was really about the physician as the primary target – where reps were trained on their medicines and their market and tried to convince the physician that the medicine made most sense for the patient."

That does not hold today, in a world where pharmacy benefit managers (PBMs) play a key role in deciding what drugs get prescribed. "We're seeing a rapid change in the business," he continues. "You've got PBMs who have taken a forceful position and are driving significant cash flow and profit themselves and they are stepping in and are increasingly dictating what a physician can and can't do." Successful sales reps still need to be focused on the physician – but as just one of the key elements in the chain, along with nurses, patients, payers, pharmacists and so on.

"We typically will hire a business-to-business representative," he explains. "They've learned that the person they go to at the front desk is equally important to the sale as the person who is writing the cheque. We feel it's very important to hire representatives who understand how to sell, who are trained on the medicine, the diseases, and the other therapies that are available. Then you have to give them the tools to work with."

To this end, Horizon takes what Walbert calls "a very behavioural-based analytic approach", giving reps data on a practice's profitability and doctors' prescribing habits, for instance. It will be clear from this information where they should be spending their time and effort, and when they should be moving on to try another practice. Incentives are far from one-size-fits-all – those working in primary care are rewarded on a prescription basis but for those in the orphan (or very rare) disease space it is based on number of patients, for example – and there are no caps.

Those selling orphan medicines have a much higher level of scientific background and can hold more in-depth medical discussions. "There is also a need for the ability to interact with advocate groups, and patients and families," he says. "They need to have the compassion and empathy and understand what they are going through – so it's a completely different approach than we would take in the primary care side of the business."

Focus on value

Above all, there is a need to communicate the value of a brand. While Walbert believes true value-based medicine is being achieved by individual payers and companies in oncology "and a few other areas" in Europe, this is not easy in a fragmented US market, he suggests. "Value-based medicine is a strategy that in some areas we see being done well, but in the US it is typically associated with a bigger rebate," he insists.

"The PBM will want rebates that then translate into their cash flow but those rebates aren't then passed on to employers and payers. So it's a system that's continually taking more cost – and medicines make up only 15% of total health spend – so we focus on value and medicines. Yet the 85% (such as services and hospital costs) is growing in an uncontrollable fashion. It is difficult to have a value discussion with a payer that doesn't focus on total healthcare costs including prescription and medical costs."

He thinks transparency laws will help everyone understand where the total healthcare dollar is being spent, where value can really be maximised and where managed-care rebates actually go; but it is a complex picture, which explains why pharma companies need to change.

More than selling medicines

Integrating marketing and sales and forming collaborative relationships with payers, PBMs and retail pharmacists – plus understanding that pharma is no longer just selling medicines – are all going to be part of the new commercial model. "What you need in marketing roles is leadership – people that understand the payer and reimbursement environment, who understand retail distribution, and understand all the other aspects of the healthcare business," he suggests.

"Pure" sales and marketing tactics are no longer as effective; instead there is a need to find employees who have consulting and analytics backgrounds – "who don't look at things like a typical pharma marketer would" – and who can work out how to come up with the right solution for their medicine. "They can go from sitting with the managed-care organisation to sitting with the opinion leader, the community physician to the patient advocacy group – and the skillsets required to do that are much higher than in the marketing and commercial leadership positions of the past," he stresses.

All this complexity perhaps explains why Walbert's interests outside his job are straightforward enough. "When I'm not working, I'm with my family, coaching my kids in sports – and that's it!" he laughs. "Work, family, kids."

It is telling that even this downtime contains a very active element – helping his children with their sports practice. That drive for activity is a thread which runs through Walbert's whole life and certainly informs his approach to the corporate world.

"The old days of command and control and just sitting in your seat and telling people what to do is no longer efficient in my view," he concludes. "People have to lead by example, work hard and be part of the solution as opposed to just judging other solutions. For me, that means I need to be involved in interacting with PBMs, payers, community physicians and opinion leaders, and taking a personal role. It's active versus passive management. The days of sitting behind a desk and passively approving things are no longer what's required to be successful."

Tim Walbert's journey

Timothy P Walbert has been Chairman, President and Chief Executive Officer of Horizon Pharma since 2008. Before that he held leadership roles at two public biopharmaceutical companies: NeoPharm and IDM Pharma, which was acquired by Takeda America Holdings.

Over the period 2001-05, he was at Abbott (now AbbVie) as Divisional Vice President and General Manager, immunology, leading the global development and launch of HUMIRA.

For three years to 2001, he was director, Celebrex North America and arthritis team leader, Asia Pacific, Latin America and Canada, at GD Searle & Company.

Walbert has also held sales and marketing roles at Merck & Co and Wyeth.
He has a BA in business from Muhlenberg College in Allentown, Pennsylvania and sits on the board of several organisations, including the Pharmaceutical Research and Manufacturers of America (PhRMA).

Tim Walbert in his own words

On supporting patients

"In 2015, we had $757 million in sales and gave away in excess of $1 billion in free goods, so our support for the patient greatly exceeded our sales – and that's unlike any company that I've seen in this sector."

On the importance of speaking up

"There are a lot of people in big companies who really are afraid to represent their views and we believe that if you have a seat at the table then you have a responsibility to speak up. Hierarchy and roles and titles don't matter – you're expected to stand up and represent your business."

On his management philosophy

"The old days of command and control and just sitting in your seat and telling people what to do is no longer efficient in my view. People have to lead by example, work hard and be part of the solution as opposed to just judging other solutions."

On lessons from sales

"You deal with rejection. You spend most of your time in your car, by yourself. When people say: 'Hey! I'm a people person – I want to be in sales,' they don't realise you're not spending that much time with people. It's a very brief period of time you get with the customer."

Coaching for the Cloud

Brice Faure

As part of his Masters programme, SAP's Brice Faure researched whether a sustainable coaching methodology could support SAP sales managers during the process of transforming the business into the Cloud.

The concept of coaching has been much discussed in recent decades and part of my project has been to understand what coaching means and embraces. Too often in my reading, I noticed confusion between the concepts of coaching and mentoring for instance. At SAP especially, the notion of coaching is either considered as a corporate task performed by a list of official coaches and mainly to deal with employees' professional or personal crises, or as one of management's objectives for developing their people. In this latter case, the paradox we face is that no real coaching methodology is proposed or benchmarked. Worse, lots of managers at SAP are appointed after a successful sales career with the perhaps misplaced belief they will become good mentors for the sales teams.

I expect my research and my project's direct application will inform coaching best practices and bridge the gap between coaching and mentoring as both, I believe, can be powerful strategies to facilitate transformation.

Project aim

The aim of my project was to learn, test and comprehend coaching methodologies with my sales managers in order to help them lead the transformation of our selling model towards the Cloud. The objective of my project was at two levels:

1. change our sales vision and habits for a new paradigm with the Cloud; and
2. instil in our managers and sales executives a sustainable and straightforward will to change.

My ambition was to clearly see a systematic approach in our business from an SaaS perspective and receive feedback from my managers that using a coaching methodology in their one-to-one meetings in the sales team is effective.

Constraints

The main constraints I had to overcome were two-fold. Firstly, the Cloud business in my area of responsibility is valued at 3% of my overall revenue; with such little quota it is difficult to get people's attention and focus and I needed to create a sense of urgency for everyone.

Secondly, I needed to provide my skilled managers with a pragmatic and efficient methodology even though I am not a licensed coach myself. As Whitmore (2009) states "good coaching is a skill, an art perhaps that requires a depth of understanding and plenty of practice if it is to deliver its astonishing potential".

Opportunities

Too little is done in the area of coaching at SAP. A franchise for a common management model within the group has been put in place since last year (2014) and it is very much about using a set of official KPIs when conducting a performance-review meeting with our sales executives. Even though this offers a strong basis to monitor one's sales activity, it is a basic tool, which does not promote transformation.

The challenge

SAP, a leading software company, faces its most important challenge so far in order to stay the undisputed worldwide leader in enterprise application solutions – indeed, a major trend on the software market is threatening the traditional economic model. However, selling software with a perpetual right to use it and, additionally, asking for a yearly maintenance fee to upgrade it is about to collapse as a model.

This shift is mainly due to the fact that customers no longer need to host, maintain and support the platform on which they run their systems, and they gain greater agility as a consequence.

The Cloud model or SaaS (Software as a Service) market is showing triple-digit growth and it is mandatory for SAP to rethink its business model and revenue in the coming years.

Accordingly, we as managers have to prepare for this new challenge and embrace this new strategy to drive the transformation of the company and its people. My Masters project is an example of such behaviour with of course the right as a researcher and not only a leader to test and fail new management methodologies to support this change.

What I aimed for in my project was to create a desire from my managers to use coaching with our salespeople so that everyone could create his own transformation towards the Cloud business, and this has nothing to do with KPIs at first.

Project delivery

The project report was directed towards sales managers wishing to learn from a coaching experience and methodology. Even though I was happy to produce a useful and viable project for SAP, I would like to think that the result of my research could be useful for any manager facing a need to change his practice and influence his sales team to do the same.

Methodology

Time is the most crucial issue for a manager at SAP. So much needs to be accomplished in one day that what really matters is how to spend one's time to deliver the best return on investment. With this in mind I focused the project on qualitative activities.

The objective of the interviews I conducted was to gather maximum information during a relatively short-term interaction. Once the scene was set I had to think about how to lead the conversation without being too intrusive and, at the same time, encourage people's reflection.

To do so I used two different methodologies. First I decided to apply the GROW model (see **figure 1**) from Whitmore (2009) and combine it with the Appreciative Inquiry approach from Cooperider and Whitney (2005). While the first methodology provides a guideline to conduct the different steps of a coaching process and interview, the latter focuses on how to liberate people's thinking and imagination.

The GROW Model with its four steps helped me define the focus of each interview with my coaches so that they understood the whole process and the reason why I was proposing a specific number of sessions.

I added a fifth step to this methodology that I called "Coaching wrap-up" and where I would interview the coachee to understand whether or not he could re-use the proposed methodology and, if so, why: what would be his personal approach to it and the extra support he would need?

I also used Action Research (AR) from McNiff and Whitehead (2011) as the most convenient methodology for researchers like me – or anyone working 60 hours a week – while conducting a Masters.

Data collection

In order to collect data I focused my research on interviews and specific coaching readings. Since my studies are fully paid for by SAP, I would define my worker/researcher's perspective as to defend SAP's interests. By this, I mean that my research would focus on a subject that would have an immediate impact for SAP, especially with regard to leading sales transformation.

My position as a member of the board at SAP France provided me with a hierarchical status in the course of my research that had advantages and potential drawbacks: it was easy for me to address any sales manager I needed to but, at the same time, this status could influence my interactions with my coachees. So, it was important for me not to impose, but instead have coachees eager to engage with me. Also, I made clear that whatever work we would conduct together, equality was key. I must not be seen as a board member but as a colleague and a co-worker or co-researcher.

Figure 1: the four-step GROW model.

Ethical considerations

Ethics as part of my day-to-day work are important to me. I feel it was important to underline that no activities were undertaken without a clear indication that they were part of my Masters' project. For example, regarding a half-day workshop I designed with the team, I clearly stated that, even though it was important to reflect on the Cloud business at SAP, I would use the results for my ongoing research and that I would guarantee anonymity and confidentiality.

Qualitative data

To create a buzz, I conducted a half-day design-thinking workshop (see **figure 2**) with the entire Analytics team: 40

people under my direct or indirect management participated in a collective brainstorm with the title “How can we sell Analytics in the Cloud”.

Once this was accomplished, I sent an email to a set of sales or presales managers to give them the feedback gathered from my sales team. I raised the most important result from

TEAM BUILDING ANALYTICS

Une demi-journée dans le Nuage
1er Avril 2015

AGENDA

13h30:	Pourquoiréfléchir tous ensemble à la d’Analytics dans le cloud?	Brice Faure / Max Biscarrat
14h00:	Post-it in the Cloud	Team Globale
14h30:	Jeu du Pourquol	Team 1 et Team 2
15h15:	Brainstorm et Mind Maps : Comment changer la donne? > Idées? > Challenges et Solutions de contournement? > Plan d’Action? > Restitution par les équipes	Team 1 et Team 2
16h15:	Pause	
16h30:	Présentation de l’offre Cloud > Préparation > Présentation au Jury	Team 1/2/3/4
17h30:	Conclusion et départ pour le Bowling	

Figure 2: A half day in the Cloud

With four different streams of reflection I was able to collect a lot of qualitative data, which I then analysed with designated assessors and communicated to all participants. Assessors were chosen because: 1) they were happy to participate in the workshop; and 2) because they were acquainted with design-thinking methodology.

We used a matrix to triangulate data and determine patterns from the groups. Most of the work was designed to brainstorm and a lot of material was coming from drawings and “Post-its”. So we decided to keep a visual feedback to debrief the workshop and plan for future actions.

Visual feedback of action plan.

A lot of material was coming from drawings and “Post-its”.

the workshop, which was that sales executives needed a clearer guidance to succeed. Considering SAP’s strategy towards the Cloud, I concluded it was important to reflect on our management practice and I was ready to help via coaching.

Thus, I proposed to them a coaching support programme through a series of five sessions along four to five months. Within two days, five managers answered positively and I decided to stop the enrolment at that stage in order to cope with my agenda and business bandwidth.

Among the five managers, only one was under my direct control. Three were senior managers and none were confirmed coaches. Four of them were sales managers and one was a presales manager. Unfortunately from an equality standpoint all were male, which is not surprising in the IT industry. In spite of this, I decided the team was balanced enough to begin my coaching research.

The plan to gather enough data while managing time and business constraints from the field, was sequenced as follows:

“Lots of managers are appointed after a successful sales career with the perhaps misplaced belief they will become good mentors for the sales teams.

1. introduce the Coaching Contract and Proposal to each of them and sign the document to officially get their commitment;
2. plan a first practitioner's meeting to present the objectives of the research, the agenda, the participants, the Masters thesis and, of course, to answer any questions;
3. send meeting requests to each of them from August to November following the GROW Model cadence – one letter = one hour meeting, plus a wrap-up session to discuss the methodology and its practicality.

Findings and data analysis

My reflections on a sustainable coaching methodology to support sales managers were conducted around three main areas:

1. First what is coaching and which form of coaching could be implemented at SAP?
2. Secondly, why is such a methodology and practice needed at SAP? Was there any existing methodology or programme? How is coaching practised in our environment?
3. Lastly, most of my analysis is about practicing coaching when you are not a certified coach, just a willing manager. What did I learn and how much of my research can lead to a pragmatic and sustainable methodology for my peers?

After ten years at SAP, I still believe we are in what Rock (2007) describes here: "The management models we're applying to our workforces are still those of the process era." As an example, I asked my coachees and myself to what extent we felt free to take responsibilities and proactive decisions? Out of six of us, the response was unanimous: the management's role at SAP is to apply the strategy, follow-up the various sales KPIs, and deliver the numbers. No discretionary budget is provided to elaborate on news ideas and most of our decisions are processed through a system and validated by a committee we do not know.

Another question I asked is how familiar they were with coaching and did they practice it in their career? Out of five, two indicated it was about helping people to perform better, but none said they had ever been coached. They knew only about a mentoring programme at SAP dedicated to high-potential employees. None was offered a coach to improve their management and none indicated their manager was acting like one.

In such a context, positioning coaching in our management practice seemed difficult to imagine, so I researched what the company was communicating around coaching and what trainings we could find or benefit from in that area. Following this research, I understood that at SAP, coaching was not seen as something that should be done between a manager and his sales executives from a programmatic point of view.

Yet many blogs from top directors on our portal raise the question of leadership and how it is important to change our management paradigm. Thus, I decided to continue my research to test a methodology of coaching for our managers based on my observations and the various readings.

Outcome

Of the five coaches I picked, one of them decided to leave the company and so our sessions soon ended. Regarding the four others, the results were pretty different from one another.

With the use of the GROW model each of them managed to deliver a plan. All were defined according to the SMART concept from Doran (1981): Specific, Measurable, Attainable, Relevant and Time bonded. But I added a further "T", quoting my managing director's own definition of SMARTT: "Please add

a second "T" for Tough".

With regard to my research, the result's content is not important. It is the way they delivered the plan that was key for me. Each coachee can be qualified as follows after our coaching sessions:

The Pragmatist (two years of management experience) – In general we defined at least three types of actions to improve Cloud business. One of my coachees, I dubbed "the pragmatist", rapidly decided to stick to one of his actions and leave the rest for 2016. In the end, he acknowledged that after our sessions he had conducted a sustainable Cloud review with his salespeople and managed to show them how Cloud figures were becoming important for SAP. He was happy to successfully produce a result, even though it was not as much as we were expecting from his original plan.

The Optimistic (one year of management experience) – One of my coachees had defined a plan with many interactions with the Cloud sales teams. When we debriefed the result, he was disappointed because he did not receive the expected buy-in of his peers. He said: "I ask them to participate during our sales meetings and systematically review our common opportunities. But so far none of them has accepted my invitation. I thought they would be interested to share our information but they'd rather stay in their corner."

I asked him how much he shared clearly his objectives with them and defined what they could benefit from. I also asked him how much preparation he put into the delivery of his message. He reflected for a moment and agreed that he took for granted his plan would be accepted because it was a good plan for him. He also realized that sending an email may not be the right way to enrol his peers to the plan. We decided to work on the communication of the plan in our future coaching session since he was convinced it would make a difference.

The Picker (ten years of management experience) – One of my coachee's plans was to use the GROW model in specific one-to-one meetings with his sales executives and define with each of them a plan around the Cloud. After a few sessions, it appeared he let go the most difficult cases. I asked him why

and his response was: "I realized coaching was easy with people willing and able. I managed to enjoy my sessions and feel a difference with the salespeople who were ready to think by themselves. I put a priority on them and the others I stopped because it was too difficult and time consuming."

He added that for junior sales most were expecting him to direct them towards execution and were puzzled when asked questions. For senior sales, on the contrary, he felt the exercise was productive because, with 20 years' experience for example, people were happy to be questioned and challenged in their practice. He added also that one person in particular was really lacking self-awareness and that the exercise demonstrated he needed to confront reality even more. He genuinely agreed he had decided to step back because he felt he was not skilled enough in coaching to succeed.

The Future Coach (three years of management experience) – One of my coachees really got involved in our session. Not only did he stick to his plan but he came prepared to our sessions. The GROW model allowed him to understand the logic of each session, so he anticipated our interaction by reviewing the previous one, reading our notes, for instance. It was then very easy for me to start deep diving in the theme of our meeting instead of reframing the situation first.

As a result I think it is important to report our last session where the objective was to sum-up our coaching journey. A lot of what he expressed highlighted key topics to understand if a sustainable coaching methodology could work at SAP.

The follow-up

After reviewing each of my coachee's plans we arranged a session a month later to do a follow-up. Results overall were scarce. Many actions were postponed and most coachees admitted they were overwhelmed with the day-to-day business. When I asked them what could be done to make a difference and overcome this issue, I got from most of them the following answer:

- We should do a follow-up more often, even if the session is not an hour but 15 minutes, for example; and
- Objectives and actions should be less numerous so that it can show real progress in the short term.

Conclusion and critical reflection

When I originally chose the theme of this project, I was eager to understand if coaching could support sales transformation at SAP. Soon, I realised I was so convinced about it, it would be a challenge to question coaching and as such bring to my readers an objective reflection.

So reflecting on a sustainable methodology happened to be much more interesting in the end. Did I find today a way to practice coaching with my peers, my teams, or even with my boss? I think I did. After a year of reflection on what were my strengths, unique attributes and management skills and desire, I realized coaching had to be part of my job. With such self-awareness, I did not hesitate to try and test it with friendly colleagues. This practice grew stronger over time and clearly the reading of Whitmore, Kline or Cooperider and Whitney have forged a habit I am comfortable with.

So how could I imagine a sustainable coaching methodology for managers at SAP without being a coach myself or proposing a similar experience?

The idea of an almanac to share my experience and learning came to my mind when reading Benjamin Franklin's work. In the 18th and 19th centuries, many ideas were published this way and in those times this simple and pragmatic way of communication to the general public was highly appreciated: so why not reproduce it for my fellow managers at SAP or elsewhere?

As a result I produced coaching tips for a month with a logical sequencing:

- Why coaching?
- How to prepare your coaching sessions?
- What to look for?
- How to improve your coaching

This almanac has no more intent than to create reflection around coaching in a comprehensive and entertaining way based on my research and data collection. Even though I think each manager can use these tips and start coaching, I think that this methodology can only be sustainable if coaching is practiced by all managers and especially from the top layer of our company.

About the author

Brice Faure is currently Large Deals Manager – Strategic Customer Program EMEA North at SAP. At the time of this research he was France Sales Director for Analytics Solutions and a member of the French Board. In this latter role he was responsible for developing SAP Software revenue in France with a team of 22.

Within this role, Faure directed sales strategy and was responsible for achieving SAP's quarterly and annual targets with responsibility for leveraging SAP's managers, sales executives and partner ecosystem. Since 2015, he was also been responsible for increasing Cloud sales revenue by transforming the traditional "on premises" sales business.

I believe we lead by example. At SAP, many directors were appointed for their exceptional and exemplary sales skills not because they were proven managers. As a result, SAP has invested heavily in management trainings these past years. Coaching, for instance, was part of the training. The truth is, none of the management really practices coaching today in France and I doubt it is much different in other countries.

To conclude then I would say the following: "Tell me and I forget, teach me and I learn, involve me and I remember."

The coaching methodology I describe can certainly become sustainable only if we as directors or managers start practicing coaching with real intent. Many around us are ready for such leadership, so let's be bold and involve our sales into this new management paradigm.

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Delivering a step change

Mark Hixon

How a productivity programme for a major bank achieved success through the introduction of a behavioural operating model for branch teams and, most importantly, team managers.

Introduction

The banking group concerned in this study is a diverse retail and commercial bank with 14,760 branches (more than any other international bank), over 193,000 employees and 102 million customers worldwide. Currently the largest bank based within the eurozone (by market capitalisation) and with significant interests also in Latin America, the USA and the UK, the bank has always maintained a prudent lending policy. It was this strict risk management profile that served the bank so well while other international banks suffered during the financial crisis.

In the United Kingdom, the bank has 850 branches, employs 20,000 staff and has around 14 million active customers.

Despite its international status, the bank is still seen as a challenger in the UK. Confronting the historical stranglehold of the "big four" – Barclays, Natwest, Lloyds and HSBC UK – on the retail and business banking sector is a central theme in the bank's strategic plans. The big four currently hold 77% market share of personal current accounts and 88% of business current accounts in the UK (Reuters, 2014). The UK Government has been keen to increase competition in the UK banking sector for some time (UK Treasury, 2015) and therefore has been looking to challenger banks to relieve the stranglehold that the incumbent players have over the market.

Acquisitions

Over previous years, the bank has made a number of opportunistic acquisitions, which have supported the overall strategy for growth in both market share and earnings in the UK retail banking division. These acquisitions were also welcomed by the political establishment and the business community, as at that point, the fates of both acquired organisations really did hang in the balance and failure to establish an effective purchase would most probably have resulted in the forced nationalisation of either or both brands.

The positive political support that the bank received as a result of these actions and objectives, was, however, going to need to be weighed against the less politically and socially positive prospect of mass redundancies as the bank consolidated the operations of both acquired brands. By early 2013 the banking and financial services sector in the UK had already shed some 132,000 jobs since the start of the financial crisis (Clinch/NBC, 2013).

These acquisitions created value in several ways for the bank: an immediate increase in market share (mortgages, banking and savings); enlarged branch network; and increased overall customer numbers. In economic terms, arguably the most attractive reason for the acquisitions was the cost saving that could be made from the consolidation of back-office operations and network support. That said, the greatest integration challenges were likely to come from the potential branch closures and the technological systems integration. Further, there was a need to invest in the technological revolution that is now sweeping the industry with customer's expectations turning more and more towards the digital experience (Barty and Ricketts/BBA, 2014).

Cost savings

As with the majority of cost savings, once realised, they soon become the new baseline. As such, the positive impact on the businesses operating JAWS ratio[1] (see **figure 1**) could prove short lived.

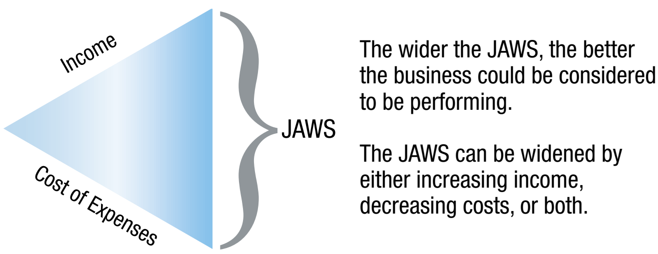

Figure 1: JAWS ratio income growth rate versus expenses growth rate.

Within a couple of years, the majority of these benefits had been exploited; therefore, to maintain the scale of positive income to costs ratio, the bank had to either find more costs to cut – even if possible, unlikely to be sufficient in scale – or increase income: in this case, improve sales performance in the branch network.

The challenge was to identify exactly how this improved sales performance would be achieved.

> *In essence the task was to increase overall sales, without increasing the numbers of sellers: in other words to increase individual and team productivity.*

The programme

A research project was established within the Retail Development division to identify potential opportunities, and scoping meetings were held with the heads of departments that would have an interest in, or influence over any proposed actions (see **figure 2**).

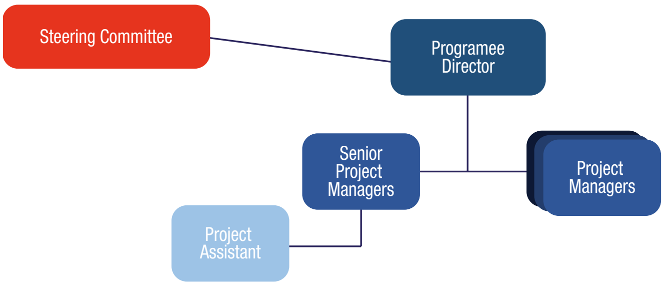

Figure 2: project structure.

It was quickly established that the options were:
1. simply increase the expectations (targets) of the front-line sales staff and managers;
2. increase the levels of variable income (bonuses) that the front-line sales staff and managers could earn from uplifting performance; or
3. enforce a more aggressive performance-management strategy to drive uplift in performance

Following meetings with several key members of the executive team, it was clear that there was little appetite to increase staff reward (bonuses) for macro-political reasons. However, there was a desire and a perceived need to increase the targeting of the branch staff.

Increasing the sales targets for branch network was the simple part of the equation. The more complicated and challenging part would be ensuring that the teams expected to deliver these increased accountabilities would have the required support to ensure that they could achieve their new enforced goals.

In essence the task was to increase overall sales, without increasing the numbers of sellers: in other words to increase individual and team productivity.

Roles

Within the branch network there are a variety of roles, each with their own set of defined accountabilities and expected daily activities. Whilst not every role was authorised to sell products directly to the bank's customers, there was an expectation that every member of staff would play their part, and those not selling would be expected to make customer referrals to, or book customer appointments for the authorised sellers. Regardless of the role and the part that they played in the customer journey, each individual was targeted on personal activity levels.

Consequently, in order to increase the overall sales levels, every role within the branch network would need to increase activity levels and therefore any development actions would need to satisfy the requirements of multiple roles.

To make matters more complicated, the merging of the three previously separate branch networks had also brought together some subtle differences in management approaches.

In order to create the most appropriate vehicle both to establish the requirements and to deliver the required actions, it was agreed with the executive committee that a "parallel learning structure" would be formed (French & Bell, 1999), predominantly from business and project managers, but also including several exemplars of front practitioners.

A traditional Training Needs Analysis format (Boydell & Leary, 1996) was followed to:
1. determine the area of focus for training – branch network selling roles/managers;
2. determine and plan the methods of data collection – observations and interviews;
3. collect the data – consistency of approach and use of a central repository;
4. analyse and interpret the data – cross check with alternative available data and information sources; and
5. propose and prioritise solutions and actions – present to executive committee.

A series of countrywide observations, staff/manager and director interviews were completed and, at the same time, centrally held data was analysed to assess whether there were any obvious areas of development that could be identified: i.e., regulatory and annual testing records; reported training needs from management reports; customer complaint trends.

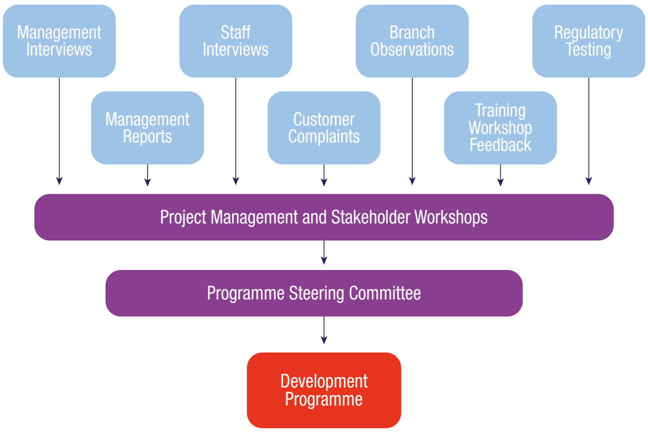

Figure 3: Programme stakeholders.

Stakeholder engagement

As the numbers of stakeholders to the programme increased, it became clear that both analysing the input and influence of the stakeholders and also viewing programme progress through the eyes of the stakeholders was of increasing importance. Consequently, as with all major projects, much of the project management time was dedicated to stakeholder engagement, understanding the power, influence and relative importance of stakeholder groups and managing as appropriate (Thompson, 2015).

A number of cross-functional stakeholder meetings were held to verify and assess the findings of all research activities. Led by the project team, these sessions proved invaluable in gaining agreement to all base data.

The primary findings from the field visits were:
- a lack of any consistency in the branch operating model (in relation to customer/sales activities);
- variable quality of management actions and interventions; and
- all branches had a reasonable mix of experience and capability, and the branch manager was the "king pin" in all scenarios.

Only in the very best branches were the managers actually demonstrating consistency of management and leadership.

Standard model

It was becoming clear there was a need to create a standard model for effective management of the branches that would need to be suitable for all branches regardless of size or scale of operation. Moreover, whilst the model would have mandatory aspects to it, there must also be sufficient scope to allow individual managers to express their personalities and demonstrate their personal leadership skills.

In order to create the new operating model, a dozen successful branch managers from across the network were brought together for a series of workshops to establish a "straw man" for the future. These managers had also proven that their models worked in practice, each of them having distinguished performance track records, and there was representation from each of the three legacy brands within the group.

Interestingly, despite geographical, experience and background differences, there were similarities in how managers set up their branches. There were distinct parts of the day where the routine was "fixed", and all staff knew exactly what would be happening at those points: i.e., pre-opening team meeting (huddle) and key seller 1:1 meetings (preview) to prepare for the day ahead. These fixed activities created a sense of order and clarity of purpose for the teams from the start of the day. However, the most notable area of commonality were the roles

> *Only in the very best branches were the managers actually demonstrating consistency of management and leadership.*

these managers played in guiding, supporting and coaching their teams and the consistency and regularity of their interventions.

In contrast, the persistently underperforming branch managers often showed little actual difference in their understanding of the required actions – for instance, the poor performers knew that having a pre-opening meeting was a best practice – yet there was significant disparity in the consistency and regularity with which such activities were completed. This lack of consistency resulted in generally disorganised branch teams with little sense of control over the outcomes of any given day, where management was reactive and coaching activities were sporadic at best.

Rather than being able to rise above the chaos of a busy day and make the most appropriate decisions in order to maximise effectiveness and efficiency of their teams, these managers were invariably drawn into fulfilling the first need that arose and ultimately were less than effective themselves. Whilst recognising the admirable qualities of those individuals who, at the drop of a hat will roll their sleeves up and get stuck in, there are a lot of dropped hats in a busy day, and occasional stepping back to view the situation would provide the perspective to enable the manager to make an informed and appropriate decision.

Engagement

Ultimately, numerous workshops and committee meetings helped shape the set of best practices into a model of daily/weekly/monthly activities that would form the core components of the new branch operating model including new processes and supporting tools. A short series of controlled prototypes were tested across a mixed group of branches, enabling the project team to make suitable adjustments prior to a final version of the activities, processes and tools being presented.

As a prerequisite for success, the workforce must be engaged and committed to the change, or at least committed enough to initially give it a go, without prejudice (Meyer & Herscovitch, 2001). This had been an area where many previously well-intentioned programmes had hit the rocks, and to avoid this programme meeting the same fate, it was vital that an appropriate strategy be devised.

This strategy was broken down into the four conditions for changing mind-sets:

1. compelling story – becoming the best bank on "your" high street and customers' first choice in your town;
2. role modeling – ensuring line manager (including divisional director) involvement in roll out and embedding;
3. reinforcing mechanisms – new model supported by new processes, and tools; and
4. capability building – giving managers and staff the appropriate skills for the future (Lawson & Price, 2003).

The communications strategy that surrounded this engagement process was centred on the key fact, "this programme is dedicated to the development of managers and staff" (MacLeod & Clarke, 2009) and the concept of appreciative enquiry "the core actions within the plan have been shaped by the very best practice from across their own colleagues" (Cooperrider, 1999).

Programme pilots

The next big consideration was to identify the optimal route and method of delivery for the programme to 850 branches across the network.

The standard vehicles for delivering change to the network were either through the weekly Branch Development Hour delivered by branch managers, or CBT (computer-based training). Drip-feeding the required learning through the existing methods of delivery was not going to prove sufficient on this occasion due to the type (behavioural) and scale of learning requirements.

With this in mind, a more radical approach to the learning delivery format, with a potential departure for the bank's traditional training delivery methods, was piloted. The processes being introduced were designed to create greater delegation of management accountabilities and release more time for the branch management teams to coach and develop their own teams.

Training workshops were designed for each role type, with the majority of focus being directed towards the branch manager role. However, in order to maximise the impact of the learning, and more importantly to initiate the process of

> *The model has subsequently been adopted in a variety of guises across the broader global business, to similar effect.*

behavioural change, it was felt that classroom training in itself would be insufficient to achieve effective delivery.

The roll-out pilots compared facilitation of the learning by coaches (independent of local line management, who were stationed in the branch) working directly with the manager and the team for two weeks, with facilitation by workshops alone, which was then followed up via the regional manager business-as-usual visits.

Independent coaches

It was anticipated that the independent coach route would prove more effective in embedding the model. However, the real interest was exactly how much better it would be, and this was established through a combination of short-term (four-week) productivity trends and feedback from both sets of teams and managers involved.

It was clear from both metrics, that the coaching route not only produced better results, but also a more satisfied and engaged branch population. Most importantly, the independence of the coaches allowed them to concentrate solely on guiding, coaching and supporting the teams, and especially the managers, to make the right business decisions daily.

In spite of the additional costs incurred, the proposal to utilise independent coaches was approved at steering committee. The programme provided an opportunity for those branch managers already displaying the required attributes (procedural and behavioural) to be seconded to the project team and to take on the role of independent coach.

> *The schedule for the roll-out stage of programme was managed with military precision, through a combined effort between the project, divisional and regional support teams.*

The coaches, along with the line management of regional and divisional teams were the primary "change agents" – a role that it was critical the branch managers ultimately assumed.

These "influence leadership" roles were vital to the success of the programme, and each individual would be responsible for ensuring that all of the four conditions was being satisfied. Achieving the ultimate success for the retail branch network was going to require more than great speeches and big words; it was time for those rallying calls to be backed up with substantive support and development (Aiken & Keller, 2009).

Potential hurdles

There were a number of key stakeholders that needed to be won over and regularly updated in order to smooth the passage for the programme roll-out, including executive/senior management and the staff unions.

There were also cultural issues that may have been rooted in the different management approaches adopted in other parts of the global group; these needed to be confronted, especially in some executive quarters where there was definitely a view that the branch leadership teams were paid to deliver and should just get on with it. However, strategic use of the bank's preferred management consultants McKinsey & Co and executive syndication discussions regarding the benefits of the resultant increased productivity prior to committee meetings brought the majority of dissenters onside.

In the context of external partners, the requirement to achieve participatory cooperation across all element of the programme was also a key consideration. It was essential to understand the roles that they played, the dynamic and influence they would add to the overall environment, and whether they had any agenda items that needed to be established up front.

For their part, the staff unions' major concerns revolved around the increased expectations that the bank would have for their members. Once they understood their members would be directly and individually benefiting from an unparalleled level of coaching and support, they were fully supportive of the programme.

Monitoring the progress of the programme through the eyes of the staff unions was key to keeping the programme on a smooth journey.

Delivery

The aspect of this programme that it was felt would (and ultimately did) add extraordinary value was the "in branch" independent coaching; therefore, it was essential that the value of the scheduled fortnight of dedicated coaching was maximised (see figure 4 for an overview of the programme roll-out).

In order to achieve this, a series of role-specific workshops was delivered to ensure that all staff understood the theory of the new model, the role that they were expected to play, and what they could expect from their managers in future. Each member of staff received one day's classroom training as a minimum, with the branch managers and their deputies attending a day workshop, along with being the primary focus during the two weeks of coaching. The workshops allowed any questions and concerns to be raised/answered, and consequently enabled coaches to concentrate on coaching and embedding activities, as opposed to explaining what the programme principles were during the branch fortnight.

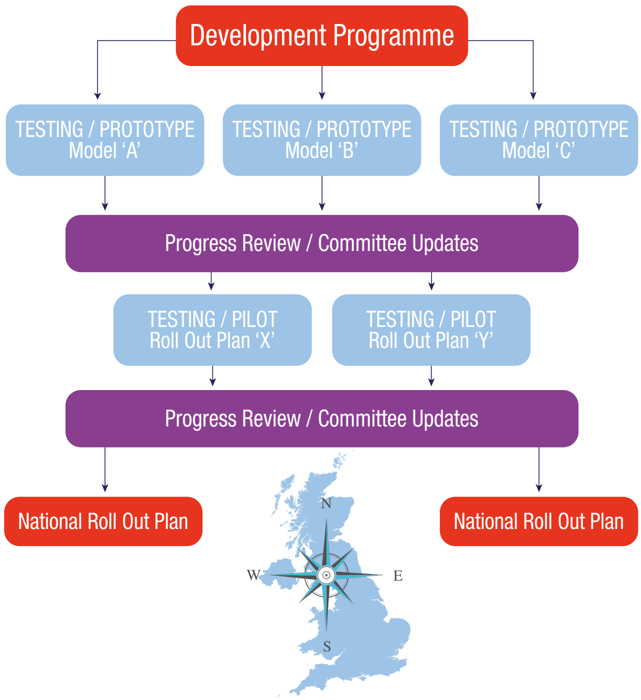

Figure 4: Rolling out the programme.

Each of the five geographic divisions that made up the retail branch network was allocated a coaching team budget comprising a divisional roll-out manager and eight coaches.

> *At the conclusion of the roll out-programme, productivity across the branch non-regulated selling roles was up 25% and the programme was indicating a £250m NPV.*

A conscious decision was made by the programme management and the steering committee to source the roll-out delivery teams – both divisional managers and the coaching teams – internally. This policy would have a number of key benefits both for the programme and the network by reducing overall costs and speeding up recruitment by avoiding the need to go to market; it also provided fantastic opportunities for regional and branch managers who wanted the opportunity to get directly

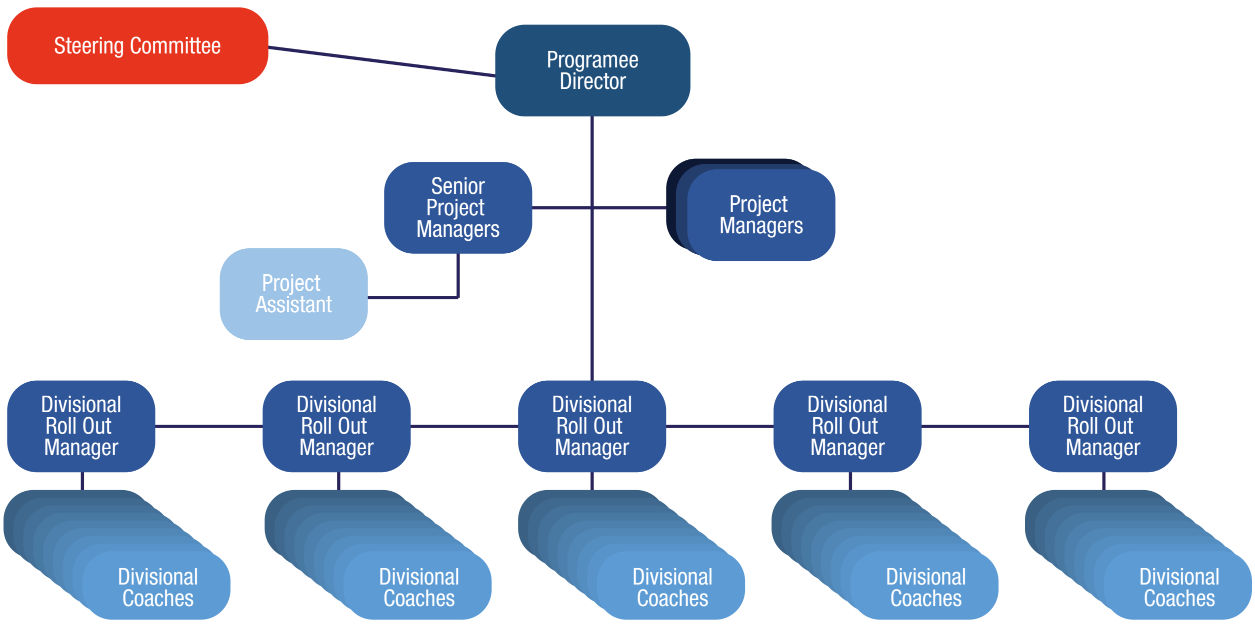

Figure 5: Roll-out was programme designed to concentrate on one region at a time.

involved in the delivery of a critical retail banking project.

The roll-out programme was designed to concentrate on delivery to one region at a time (per division) and was multi-faceted, consisting of pre- and post-launch activities (see **figure** 5).

The divisional roll-out manager would make contact with the regional manager eight weeks prior to launch to ensure that any specific areas of concern could be raised on either side, and to allow sufficient time for all preparatory work to be undertaken. Each regional manager was provided with a pre-coaching checklist, which included a number of logistical issues to be addressed ahead of roll out.

Each region received an eight-week programme of delivery support from the divisional team.

The pre-launch workshop activities culminated in a regional launch event, held within one week of launch and hosted by the regional manager and divisional roll-out manager and attended by the entire programme and divisional teams, including the divisional director; this included a Q&A session. Despite the fact that these events were held outside normal working hours and at a local hotel, the turnout from the branches was outstanding with regular attendance levels of more than 80% of staff; following on from the workshops, these events served to really build anticipation and excitement about the programme within each region.

At the end of each fortnight's coaching in the branch, the coaches would complete a formal handover of that branch to the regional manager, including a full breakdown of what had been covered, along with agreed ongoing development needs that the regional manager should look to follow through on.

To signify that a branch had received their coaching, the branch was awarded a certificate from the programme and divisional teams, and every member of staff in the branch received a small enamel lapel badge. It was this latter token that really captured the imagination of the branch teams, all of

ROLL OUT 4 WEEKS	ROLL OUT 3 WEEKS	ROLL OUT 2 WEEKS	ROLL OUT 1 WEEK	ROLL OUT WEEK 1	ROLL OUT WEEK 2	ROLL OUT WEEK 3	ROLL OUT WEEK 4
Branch Manager Workshop 1			Branch Manager Workshop 2	Roll Out Branch 1	Roll Out Branch 1	Roll Out Branch 8	Roll Out Branch 8
	Assistant Manager Workshop 1			Roll Out Branch 2	Roll Out Branch 2	Roll Out Branch 9	Roll Out Branch 9
	Regular Adviser Workshop			Roll Out Branch 3	Roll Out Branch 3	Roll Out Branch 10	Roll Out Branch 10
		Customer Assistant Workshop	Customer Assistant Workshop	Roll Out Branch 4	Roll Out Branch 4	Roll Out Branch 11	Roll Out Branch 11
		Personal Banker Workshop	Personal Banker Workshop	Roll Out Branch 5	Roll Out Branch 5	Roll Out Branch 12	Roll Out Branch 12
				Roll Out Branch 6	Roll Out Branch 6	Roll Out Branch 13	Roll Out Branch 13
			Regional Launch Event	Roll Out Branch 7	Roll Out Branch 7	Roll Out Branch 14	Roll Out Branch 14

Figure 6: Roll-out schedule managed with military precision.

whom wore their lapel badge with genuine pride.
The schedule for the roll out stage of programme was managed with military precision, through a combined effort between the project, divisional and regional support teams (see **figure** 6).

Evaluation of programme success

From the outset of the programme, it was recognised that frequent and robust evaluation was needed at each stage: this would allow learning to be absorbed and ultimately improve the final delivery. Whilst the concept of regular evaluation was agreed, there was also the not so small matter of agreeing the "who", "what", "where" and "when" of the evaluation process:

- **Who/resource** – programme team, learning deliverers (coaches), delegates (branch staff and managers), line managers (regional managers and divisional directors), external consultants (McKinsey & Co), staff unions.
- **What** – reaction to the learning approach, the levels of learning embedded, the behavioural change and the ultimate results of delivery (productivity and profitability) – (Kirkpatrick, 2009).
- **Where** – in the field/branches, at divisional level/geographically or demographically, at head office.
- **When** – research, analysis, design, prototype and pilot stages.

The practice of regular evaluation of these areas was definitely a significant contributor to the ultimate success of the programme. Much additional input was collected and absorbed by the programme, allowing each stage to become better formed, and this also aided the communications process and positive aura that was built around the entire enterprise.

From an executive perspective, and to evidence a reasonable return on investment, it was expected that the programme would deliver a minimum of 10% increase in key seller productivity, which it was believed would deliver an additional £100m NPV (net present value).

At the conclusion of the roll out-programme, productivity across the branch non-regulated selling roles was up 25% and the programme was indicating a £250m NPV. On this basis alone, the programme was considered to have been a tremendous success. However, there were a number of additional factors that acted as indicators of the ultimate success of the programme.

From a people perspective, a number of those individuals involved in the design and delivery of the programme were promoted to more senior roles based upon the personal development journey they had undertaken and the demonstrable growth in their capability. The increased profile that resulted from involvement, and the increased skill set, meant that the programme had helped shape the next generation of senior managers.

As a programme of learning and development, the programme can also be measured by its legacy and how long the models implemented have lasted, with evolution of the model becoming the route chosen for any required changes. This is unusual in that the majority of similar programmes soon become superseded and replaced by the latest thinking and/or by a change of executive management who wanted to create a new model. On this basis, the programme must also be considered a success.

The model has subsequently been adopted in a variety of guises across the broader global business, to similar effect.

If I were to pin-point an area where, being critical, I would make changes to the programme if I were responsible for delivery of another similar exercise, it would be the regional managers' involvement in the overall process. I believe we could have been more productive and created even more cohesion during the roll-out process if we had taken all of the regional managers through a series of workshops ahead of the roll-out starting. Whilst I believe the use of coaches that were independent of the local management structures was a real benefit in embedding the changes, more could've been achieved post-coaching roll-out had the regional managers been better engaged.

Reflecting on the achievements of the programme, there were two crucial elements within the overall equation: the underlying operating model – the success of which has been evident through its standing the test of time; and the unique roll-out strategy, which helped to embed the model and aided the development of the next generation of senior managers.

[1] The JAWS ratio is a measure used in finance to demonstrate the extent to which a trading entity's income growth rate exceeds its expenses growth rate, measured as percentage. JAWS ratio = Income Growth Rate – Expense Growth Rate.

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About the author

Mark Hixon has spent the past 25 years leading sales and servicing teams across a number of functions within financial services, working with such well-known high-street names as Santander, Abbey National, Alliance & Leicester, Bradford & Bingley, and National & Provincial, as well as insurance company GAN.

Re-sharpening the customer focus in B2B markets: understanding selling as “marketing in action”

Roger Brooksbank

> *In the traditional sales-oriented model, the skills of closing the sale are considered far more important than those of interviewing or matching*

In today's ultra-competitive markets it is imperative that salespeople work to continuously sharpen their customer focus. By comparing the new model of personal selling with the marketing process, this article provides an agenda for helping to make it happen.

Introduction

Despite the rise of online selling, in many markets – especially B2B – personal selling remains a critical component of marketing success. Yet while marketing educators continue to concentrate attention on prescribing a customer-focused approach to the design and application of various online selling initiatives, comparatively little has been said about how this ethos translates across to the personal selling process. Hence, with the aim of creating an agenda for inspiring salespeople to resharpen their customer focus, this article presents an understanding of the personal selling process as "marketing in action".

New versus old: customer-oriented versus sales-oriented personal selling

Figure 1 depicts a simplified version of the three key phases of a sale. At first sight there is nothing radically different about the new model of the personal selling process. The main phases or "skill areas"of the sale, and the key selling principles that the process incorporates, remain more or less unchanged from years gone by. Nor is it likely that the fundamentals will change anytime soon; as human nature remains constant, so too will the basic ingredients of the art of personal selling.

What has changed, however, is the blend of the ingredients. The new customer-oriented model is only really differentiated from the old sales-oriented one by the relative importance attached to the various phases of the sale.

THE PERSONAL SELLING PROCESS	NEW MODEL (Customer-Orientated) % Importance	OLD MODEL (Sales-Orientated) % Importance
1. INTERVIEWING PHASE (Identify customers needs and benefits sought.) 2. MATCHING PHASE (Support customers needs and explain the matching benefits.)	80%	20%
3. CLOSING PHASE (Navigate customer objections, and gain agreement to purchase.)	20%	80%

Figure 1: New versus old model of personal selling

In the traditional sales-oriented model, the skills of closing the sale are considered far more important than those of interviewing or matching; in the new model, these priorities are completely reversed. Customer-oriented selling is about investing the time and effort necessary to uncover each customer's specific needs and wants, and then matching to them, as closely as possible, the product/service benefits on offer – thereby creating the conditions for a relatively straightforward close.

This is in sharp contrast to sales-oriented selling which emphasizes closing skills almost to the exclusion of all else. It minimizes the role of interviewing and matching, and relies instead on using a range of somewhat manipulative closing techniques designed to push the customer into saying "yes". Hence, the key difference between the new and old model lies not so much with the selling process itself as it does with the way the salesperson chooses to apply it; i.e. their "selling philosophy".

Figure 2 contrasts the modern customer-oriented philosophy to selling with that of the old-fashioned, sales-oriented approach.

CUSTOMER-ORIENTATED SELLING	V.	SALES-ORIENTATED SELLING
We both win	v.	I win/you lose
Low pressure	v.	High pressure
They bought it	v.	I sold it

Figure 2: Customer-orientation versus sales-orientation – Attitude Check!

Similarities between the processes of selling and marketing

There is an even more compelling reason than just a shared customer-oriented philosophy that explains why the new model of personal selling might well be described as "marketing in action"; there is also a shared methodology. By comparing the simplified three-step model of the marketing strategy process shown in **Figure 3** with the new model of personal selling shown in **Figure 1**, it can be seen that they are only really differentiated by the context to which they relate; otherwise they correspond closely to one another.

The common denominator is the concept of "positioning". The marketing strategy process relates to the competitive positioning of goods or services in the wider marketplace (i.e. at the "strategic" or "macro" level). By contrast, the personal selling process relates to the competitive positioning of goods or services in the mind of a particular prospective customer (i.e. at the "tactical" or "micro" level). ›

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Customer-oriented selling is about investing the time and effort necessary to uncover each customer's specific needs and wants

1. ANALYZING PHASE

(Research strengths, weaknesses, opportunities and threats profile facing the company.)

2. ANALYZING PHASE

(Define marketing positioning strategy and competitive advantage.)

3. IMPLEMENTING PHASE

(Activate the chosen strategy by assembling the 7Ps of the marketing mix.)

Figure 3: The marketing strategy process

Key commonalities between the two models are highlighted in **Figure** 4. At the first stage of both processes the aim is to find out as much as possible about the prevailing competitive situation. For the marketer this involves the use of various marketing research techniques to answer questions about potential customer requirements, market segments and competitors. For the salesperson it involves interviewing a customer to determine their specific needs and wants, and the range of options he/she has for satisfying them.

At the second stage, the common objective for both the marketer and the salesperson is to conceptualise how to maximise the "fit" between the company's offer and what the customer wants – so that a customer will perceive an advantage is to be gained by purchasing the company's offer in preference to a competitor's. Finally, at the third stage of each process, the common aim is to make it happen by translating the "best fit" into action.

As illustrated in **Figure** 5, on the one hand for the marketer this involves assembling all the various elements of the 7 Ps "marketing mix" that defines the company's standard offer so that it will appeal to the intended target market by reflecting its choice of competitive advantage. For the salesperson, on the other hand, it involves "fine-tuning" one or more elements of what might be termed the 7 Ss of the "selling mix" to the total satisfaction of their customer in order to clinch the sale.

The point is, in B2B markets, no matter how well the marketing strategist targets a market segment comprising customers with similar needs and wants, each individual customer will have a unique profile of buying requirements which can only be fully satisfied through the medium of personal selling.

THE MARKETING STRATEGY PROCESS	COMMON OBJECTIVES	THE PERSONAL SELLING PROCESS
Analysing	Research Competitive Situation	Interviewing
Strategizing	Develop Competitive Advantage	Matching
Implementing	Translate Strategy Into Action	Closing

Figure 4: The marketing strategy process versus the personal selling process.

To complete the analogy between selling and marketing, the negotiable elements (variables) of the sale in a B2B context may usefully be termed the 7 S's of the "selling mix". Each "S" relates to an aspect of the offer which can be "fine-tuned" to meet the specific needs of individual customers through a process of sales negotiating. Accordingly, effective sales negotiating is not about haggling over price.

On the contrary, it is first about identifying all the non-price variables important to the buyer and then trading the price off against an optimum mix of the other elements that make up the offer. The aim is to find a price-package combination that maximises value to the buyer without compromising profit to the supplier.

7Ps: MARKETING MIX

- Product
- Price
- Promotion
- Place (distribution)
- People
- Processes
- Premises

NB: Especially important when marketing a service

7Ss: SELLING MIX

- Specifications of product
- Service level
- Speed of delivery
- Size of order
- Scope of warranty/guarantee
- Span of contract
- Special payment terms

Figure 5: The 7Ps versus the 7Ss.

Managerial implications

This article draws attention to the fact that in B2B markets the personal selling function often carries much responsibility for making marketing happen. In view of this responsibility, a customer-oriented model of the personal selling process has been presented. This process is described as "marketing in action" on the basis that, as part of the company's overall marketing effort, it shares not only the same customer-driven philosophy but also the same basic methodology. Further, it is suggested that if the "tools of the marketer's trade" are the 7 Ps of the marketing mix, then similarly the "tools of the seller's trade" are the 7 Ss of what may be termed the "selling mix".

Cultivating an appreciation among staff of selling as "marketing in action" creates an agenda for a company's salespeople to re-sharpen their customer focus.

> *"Cultivating an appreciation among staff of selling as 'marketing in action' creates an agenda for a company's salespeople to re-sharpen their customer focus*

First, it encourages them to work more closely with marketers when long-term strategic decisions are being made about which market segments the company should target and how best to compete. Secondly, it challenges each salesperson to re-evaluate their own selling philosophy and the extent to which it is truly customer-focussed. Thirdly, it inspires them to develop their sales negotiating skills with a view to being able to effect more customer-focused outcomes.

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Research review – edited by Jeremy Noad

These pages aim to keep readers informed of recently published research on sales related topics, by including abstracts of peer-reviewed academic research published in a range of journals. We have grouped them in the following broad themes: sales performance; customer management; capability development; behavioural studies; and systems and processes.

In this edition, we start with three articles on **sales performance**. The first examines sales force involvement in new products launches in the pharma industry. The second is one of three papers in this edition that looks at value. It examines both value creation and value capture, and finds that, while there are trade-offs required in creating value, those trade-offs do not need to be made when undertaking value capture. The third paper under this theme examines multichannel selling and identifies that customer preference is a key factor in success along with proposing that the chief limitation in the efficacy of each channel is the effectiveness of the other channel.

In the section on **customer management**, we have selected two papers, which deal with value creation. The first examines the beneficial link between value co-creation and customer loyalty and the second identifies that role ambiguity has a negative impact on value co-creation.

Under **capability development**, we have highlighted three pieces of work: the first demonstrates how sales capabilities influence the performance of the organisation; the second presents an economic-modelling approach to predict the capability of salespeople; and the final paper returns to topics featured in the previous edition concerning the next generation of salespeople identifying that quality online sales-focused learning in universities can positively influence graduates' choice of sales as a career.

There are three papers in the **behavioural studies** theme. The first studies the impact on salesperson turnover of a cost-focused organisation, finding that excessive cost management increases turnover in sales staff. The second paper discusses the importance of salespeople's interpersonal skills in terms of sales performance; the final paper examines the importance of industry and organisational knowledge industry in improving creative selling.

Finally in the **systems and processes** theme, there is a single study, which introduces a framework for segmenting customers for sales portfolios.

Sales performance

Salesforce management factors for successful new product launch

New innovative products constitute a central source of economic value creation, but in many industries, salesforce management significantly conditions the appropriation of innovative products during their launch. Very little previous research addresses the salesforce management factors that contribute to successful new product launches. This study identifies and examines a set of salesforce management factors that contribute to successful new product launches by drawing on previous studies related to new product launches and salesforce management. The multivariate analysis in this study uses data covering new product launches in the Swedish pharmaceutical industry. This study unearths a complex and unique complementarity pattern of factors resting upon the duality of a highly dynamic marketplace and sales representatives with an innovative personality type, which is complementary with other specific factors such as training, management control, and reward systems. These findings contribute to the literature on new product launches, salesforce management, and firm complementarities and have managerial implications for practitioners who oversee salesforce readiness during new product launches.

Fraenkel S, Haftor D M and Pashkevich N, *Journal of Business Research*, (2016).

Effective configurations of value creation and capture capabilities: extending Treacy and Wiersema's value disciplines

This article elaborates and empirically investigates the

alignment of the value creation and capture capabilities of Treacy and Wiersema's (1993, 1995) typology of three strategies for superior customer value (product leadership, operational excellence, and customer intimacy). The study develops three propositions that predict how each strategy in Treacy and Wiersema's typology corresponds to a particular mix of value creation and capture capabilities, which lead to competitive advantage and success in the marketplace. Using data from a multi-industry sample of 110 R&D managers and 242 customers to identify the operating models of the three conceptually derived strategies and their customer value performance. The results confirm the three strategies and indicate that each exhibits a unique combination of value-creation capabilities and a carefully aligned set of value capture capabilities. Although the three strategies demand clear trade-offs in the value-creation domain, those trade-offs do not exist for value capture.
Zacharias N A, Nijssen E J and Stock R M, *Journal of Business Research*, 2016.

Sales effort deployment in decentralized dual-channel distribution

The study determines the optimal sale effort deployment under dual-channel distribution, which combines a traditional bricks-and-mortar retail channel from the partner retailer and a direct online channel from the manufacturer. A sales effort competition game is set up between the manufacturer and the retailer. Demand for sales efforts is determined based on the consumer valuation, consumer's channel preference and sales efforts. Then, the optimal sales effort deployment is studied with a game-theory approach that allows the retailer and the manufacturer to maximize their profit. Consumer's channel preference is a key parameter of the demand assignment in the dual-channel distribution. Interestingly, the optimal sales effort and the profit of the manufacturer and the retailer can be limited by the other's efficiency of sales effort. The finding suggests that the manufacturer and the retailer should collaborate to enhance the efficiency of the sales effort. It also shows that the manufacturer can utilize the direct channel as an important marketing channel even though no profit is obtained through the direct channel. This research provides a new method to model the sales effort in the dual-channel distribution. The optimal sales efforts based on the consumer behaviour are determined. However, since this study assumes a consistent product price across channels, the results is not applicable for a retailer who can set their price. It is a win-win situation for the adoption of the dual-channel distribution although the manufacturer can benefit more. Additionally, the direct channel can be used as an effective marketing channel. This research contributes to a better understanding of demands in dual-channel distribution under sales efforts. Additionally, the research results provide a useful framework for sales effort deployment under different consumers' channel preferences in the dual-channel distribution.
Liu C, Lee C and Choy K, *Industrial Management & Data Systems*, 2016, Vol. 116 Iss: 4, pp.821-837.

Customer management

Value co-creation and customer loyalty

This research examines value co-creation and its effect on loyalty toward the organization from both the attitudinal and behavioural viewpoint. To do so, this research uses the customer's perspective. The empirical study uses structural equation modelling (AMOS) as a method, with a sample of 547 users of personal care services firms. The results show the existence of a significant relationship between value co-creation and attitudinal loyalty. The latter also significantly affects behavioural loyalty. The main contributions stem from a better knowledge of the antecedents of loyalty by incorporating a variable not previously studied: value co-creation. This study also offers a contribution to the research field of value co-creation because, in spite of a growing interest in the topic, little knowledge exists on the effects or consequences of this construct.
Cossío-Silvaa, F et al, *Journal of Business Research*, 2016, 69-5 pp 1621-1625.

Value co-creation process of integrated product-services: effect of role ambiguities and relational coping strategies

Co-creating value is central to providing product-service solutions. The study contributes to a better understanding of the transition process from traditional transaction-oriented roles to future co-creation roles within provider-customer relationships. Our inductive analysis of cross-comparative case studies, including eight provider-customer relationships, identifies significant role ambiguities among actors involved in this transition. In addition to identifying challenges, we explain how relational coping strategies help the partners manage the presence of role ambiguities during the value co-creation process. Notably, three types of role ambiguities (vague role expectations, unclear role descriptions and uncertain role scripts) often serve as barriers to co-creating value across different phases of the value co-creation process, and require different relational response strategies (role clarification, role redefinition and role adaption) to cope with unclear expectations, responsibilities and demands. The present study contributes to the emerging literature on value co-creation by underlining the role dynamics in provider and customer relationships during the co-creation process of product-service solutions.
Sjödin D R, Parida V and Wincent J, *Industrial Marketing Management*, 2016.

Capability development

The dual mechanism of sales capabilities in influencing organizational performance

In most companies, sales organizations play an increasingly strategic role in creating a competitive advantage for the firm. In contrast to marketing capabilities, sales capabilities are not well defined and are therefore overlooked both conceptually and empirically. This study distinguishes between sales force management capabilities and personal selling capability, examines their interplay, and ultimately analyses their impact on the firm's performance. The findings indicate that sales capabilities have a dual mechanism in enhancing performance: directly through a well-structured sales force and indirectly by leveraging personal selling capability through nurturing sales talent and targeting customers. By developing, identifying and validating sales force management and personal selling capability empirically, this research contributes to the literature on sales as well as to the literature on capabilities, in general, and to the connection between sales capabilities and performance.
Guenzi P, Sajtos L and Troilo G, *Journal of Business Research*, 2016.

Inferring salesperson capability using stochastic frontier analysis

This paper proposes an easy-to-implement econometric method for inferring salesperson capability from archival panel data, namely stochastic frontier (SF) analysis. It demonstrates this method with a sample of salespersons provided by a life insurance company. Using the proposed SF model, we can estimate each salesperson's capability. Furthermore, we examine the relationship between the estimated salesperson capability and three future outcomes (i.e. future sales performance, future customer attrition, and future salesperson ›

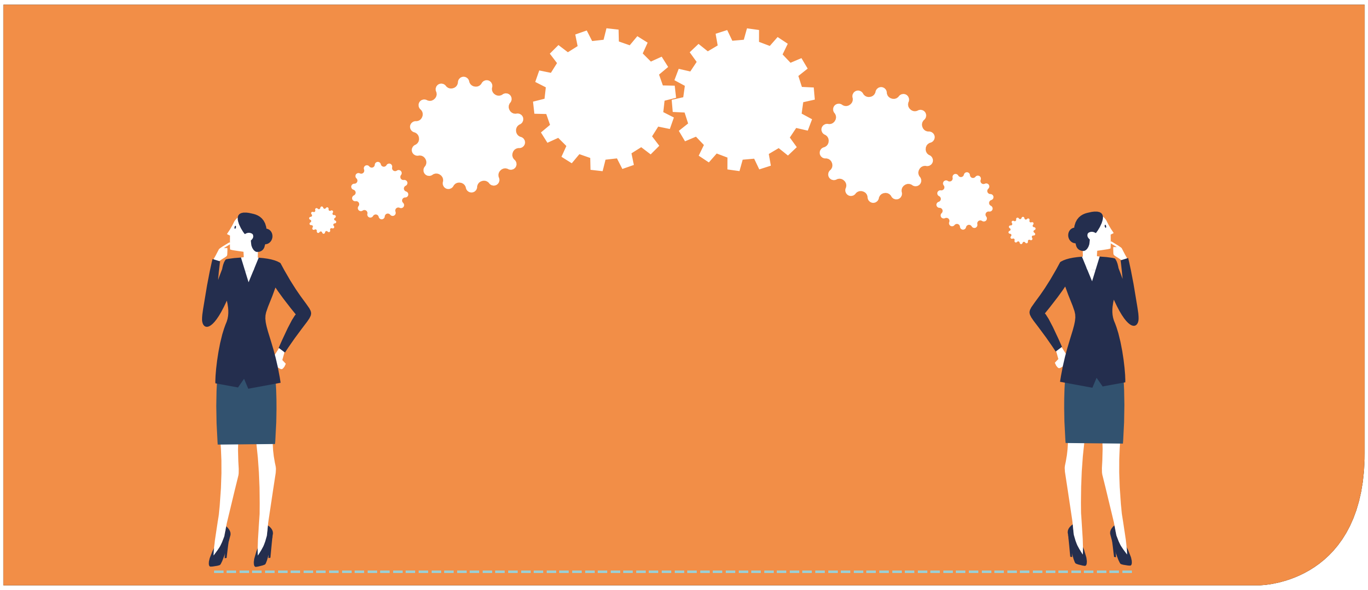
turnover) under different time horizons. We find that, in general, the estimated salesperson capability has a stronger explanatory power for the near than for the more distant future. Since an individual salesperson's capability cannot be directly observed by researchers (and thus is typically omitted), traditional analyses of sales performance suffer from an omitted-variable problem that can lead to biased estimates of focal variables. The SF model can significantly mitigate this omitted-variable problem. Statistical tests indicate that our sales performance model with estimated salesperson capability results in a statistically significant improvement in model fit. Of note, our model differs methodologically from SF models previously used in the marketing literature in that it is based on a three-component model that disentangles unobserved individual heterogeneity, efficiency and random shocks.
Feng C and Fay S, *Journal of Personal Selling & Sales Management*, 2016, 1-13.

Changing students' perceptions of professional selling using an online learning workshop
This article describes an innovation designed with the goal of enhancing students' perceptions of sales careers and salespeople through a series of educational sales modules. The innovation was delivered online through a learning management system as part of a Principles of Marketing course. The innovation, referred to as The Professional Selling Workshop (PSW), was developed as a stand-alone course shell in the university's Learning Management System (BbLearn). The PSW, consisting of ten sales modules, was administered in multiple sections of a Principles of Marketing course. One hundred and sixty eight undergraduate business students at a public university in the southwest United States completed the workshop. The results of this study suggest that student perceptions can be moved in a favourable direction when exposed to the more positive aspects of sales careers, and when myths and common beliefs about sales careers and the types of persons who can succeed in sales careers are clarified. The professional selling workshop can be implemented fairly easily requiring only minimal adjustment to an existing marketing course. The favourable shift in student perceptions that resulted from the workshop is a step toward resolving the ongoing problem of negative student attitudes toward sales careers.
Paden N et al, *Journal for Advancement of Marketing Education*, 2016, Volume 24 Spring.

Behavioural studies

The effect of managerial cost prioritization on sales force turnover
Driven by organizational focus on bottom-line profitability, business-to-business (B2B) sales managers face pressure to justify and control sales expenses. As cost information becomes more accessible, a higher value may be placed on this information relative to revenue information to help alleviate this pressure. Therefore, this study conceptualizes cost prioritization and argues that while bottom-line management gains may ensue, cost prioritization may also have unintended consequences for sales force engagement. Therefore, this research examines the effect of managerial cost prioritization on sales force turnover. Output control, behaviour control, and micromanagement are identified as key factors impacting the relationship between cost prioritization and sales force turnover. Empirical testing is based on a survey of B2B sales managers from various industries across the United States. Results indicate cost prioritization increases sales force turnover. Output control attenuates, while micromanagement exacerbates, this relationship. In addition, functional and dysfunctional turnover are differentially impacted by cost prioritization.
Skiba J, Saini A and Friend S B, *Journal of Business Research*, 2016.

Examining the impact of salesperson interpersonal mentalizing skills on performance: the role of attachment anxiety and subjective happiness



Due to the dynamic and interpersonal nature of selling, understanding affective and cognitive relationships and their influence on performance has gained the attention of sales scholars. Moreover, recent literature has created opportunities to study the impact of cognitions, such as salesperson theory-of-mind, on sales performance. This research develops a model involving salesperson interpersonal mentalizing skills (i.e. rapport building, detecting non-verbal cues, taking a bird's-eye view, shaping the interactions), subjective happiness, attachment anxiety, and sales performance. Although salesforce optimization is critical in any economy, emerging economies are the growth frontiers for many global companies. Using three samples from Brazil, we investigate the telecom, banking, and retail industries, providing generalizable results from one such emerging economy. We find that, in general, it is the influence of attachment anxiety and subjective happiness on interpersonal mentalizing skills that ultimately impacts sales performance. Based on these findings, we discuss several theoretical and managerial implications.
Agnihotri R et al, *Journal of Personal Selling & Sales Management*, 2016, 1-16.

Linking thinking styles to sales performance: The importance of creativity and subjective knowledge
The paper examines how thinking styles and knowledge affect creative selling. Judicial thinking style indirectly enhances performance through creative selling. Knowledge of one's industry enhances the effectiveness of creative selling. Sales training should enhance salespeople's industry and customer knowledge. This study examines the roles of thinking styles, role ambiguity, and knowledge in predicting salesperson creative selling behaviours. It also examines the importance of salesperson industry knowledge (i.e., an understanding of the industry's regulatory environment) and salesperson organizational knowledge (i.e., an understanding of customers' internal political environment) in the creative selling-sales performance relationship. Survey data come from 262 business-to-business benefits broker salespeople to test the conceptual model. The results of the structural equations modelling confirm that a judicial thinking style has a positive effect on creative selling and that role ambiguity and organizational knowledge are also important antecedents of creative selling. Importantly, the analysis confirms that industry and organizational knowledge moderate the creative selling-sales performance relationship.
Groza M D, Locander D A and Howlett C H, *Journal of Business Research*, 2016.

Systems and processes

Customer portfolio management (CPM) for improved customer relationship management (CRM): are your customers platinum, gold, silver, or bronze?
This study introduces a conceptual framework of Customer Portfolio Management (CPM) matrix. CPM focuses on two issues: cost to serve and value of the customer to the company. Using this framework, a firm can segment its customer base into four portfolios: platinum, gold, silver, and bronze. Moreover, then a firm can apply different strategies on these portfolios accordingly. This article uses the customer portfolio management (CPM) approach to examine how a company can define the value of customers and segment these customers into portfolios. By segmenting customers into portfolios, an organization can better understand the relative importance of each customer to the company's total profit. Such an understanding will help companies retain valuable customers and create additional value with these customers through relationship development. From this framework, a firm can segment its customer base into four portfolios: platinum, gold, silver, and bronze, and deliver services accordingly.
Thakur R and Workman L, *Journal of Business Research*, 2016.

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The Art of Discovery

Whitton & Roy

Dr Roy Whitten and Scott Roy discuss what to do before the pitch and how to do it.

"The biggest problem my salespeople have is that they just don't listen well enough!" The speaker was vice-president and director of sales for a division of one of the world's largest telecoms companies.

He continued: "Or, if they do listen, they only listen long enough to hear what they want to hear, and then they stop listening and start talking. How do I get them to behave differently in those initial conversations with clients, when so much is on the line in terms of building trust and discovering needs?".

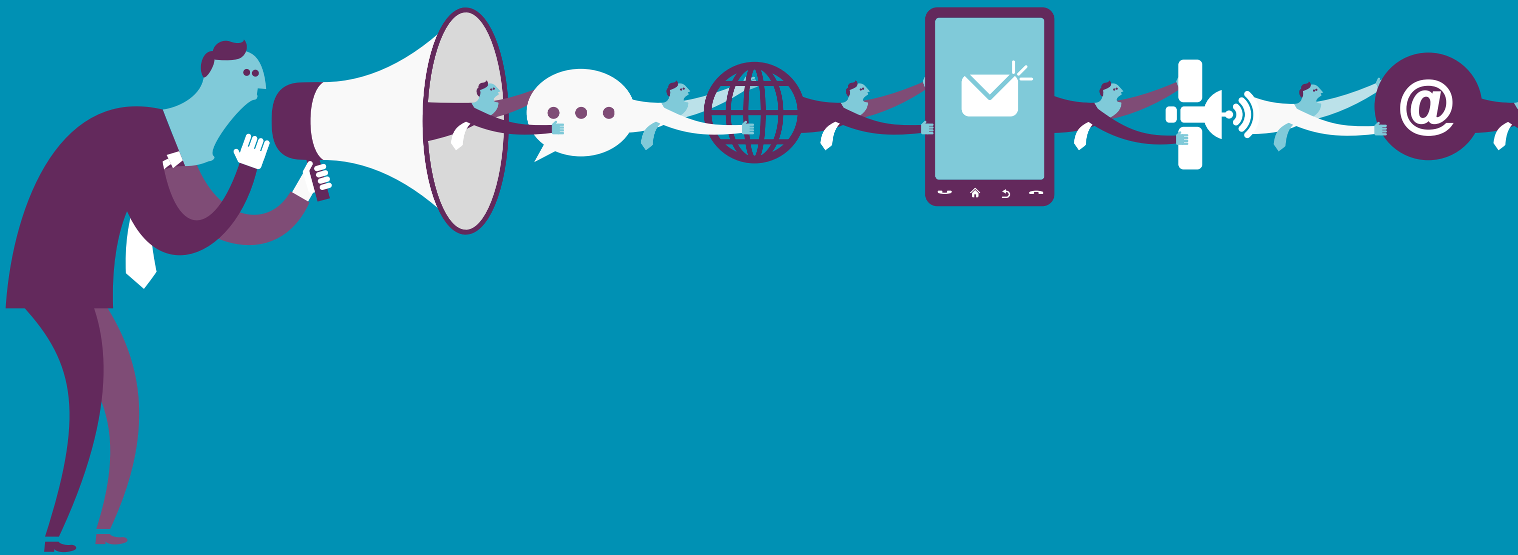
This man – Mark is his first name, who became a client and then a colleague and friend – was asking the right questions. He instinctively knew there were limitations to the way his team was selling: developing and then pitching value propositions to customers.

We helped him build upon his instincts by teaching his people the "art of discovery", arguably the single most critical component of the selling process. We addressed three key questions with his sales team:

1. **What** are you trying to discover?
2. **Who** needs to do the discovering? and
3. **How** do you actually do it?

What are you trying to discover?

In practice, your answer to this question will depend on the purpose of your sales conversation. Usually, the purpose is to convince the customer to buy. Salespeople sometimes camouflage this purpose with talk about "discovering needs and pain points". Yet, when push comes to shove, their behaviour



demonstrates their true motivation: to make the sale. That's when discovery stops and pitching begins.

We suggest a different purpose for the sales conversation: *raising your customer's* "DQ": their "decision quotient" or "decision intelligence". When people practice what we call DQ Sales, their full focus is on helping the customer make the best-possible decision for their business.

When *this* becomes the purpose of the sales conversation, it becomes clear that there are fundamentally two things the salesperson needs to lead the customer to discover:

1. What is the problem you're really trying to solve?
2. What is the solution I am offering that will fix that problem?

Pitching is part of answering the second question. The art of discovery addresses the *first* question. It's problem first, and solution second. (That is why starting with value propositions and pitching is such a poor way to sell. Customers resist it, and they don't trust it, because instinctively they know it's an uninformed way for them to buy!)

Who needs to do the discovering?

Again, this depends on the purpose of the sales conversation. In a normal sales conversation, it's the *salesperson* who's doing the discovering. He or she is looking for felt needs, pain points, objects of interest, and/or motivations to purchase.

DQ sellers have another purpose and they exhibit different behaviour. They accept the fact that they will figure out the problem to be solved before the customer does. And they recognize that their job is to lead the *customer* to understand the problem. They appreciate that this process requires a particular kind of listening, and they get very good at it.

How do you actually do it?

Selling in this way requires patience, self-discipline, objectivity, and above all the capacity to listen well, provide continuous feedback, and follow the customer's line of thought *before* taking over control of the conversation

We help salespeople do this by teaching a specific skill we call "precision Listening". We're happy to share it with you in a moment – perhaps walking you through the process will enable you to pick it up and put it to work.

Use precision listening over and over again as you engage with customers. Before explaining the technique, we would like to remember that building a customer's DQ requires two fundamental discoveries:

1. Customers must discover the problem(s) they are trying to solve *before* you offer any solutions – this will save you a lot of time, energy, and looking like every other salesperson out there.
2. Customers must discover their *own* thinking before they hear *yours* – this develops their trust in you and helps you offer something that will genuinely meet their needs.

Is this easy to do? Not really. It requires practice, patience, and a growing ability on your part to stay in the present moment. Make use of our "split attention" instructional video.

Valuable benefits

Is it worth doing? Absolutely. Whether you have single sales conversations lasting 30 minutes or multiple conversations over months, getting better at the "art of discovery" will bring a number of valuable benefits:

- Your sales will get larger, because your customers will discover more of what they need and want.
- Your sales will go faster, because the higher your customers' DQ, the fewer objections they have when it comes time to make a decision to buy.
- Your closing percentage will go up, because the solutions you offer will better fit the problems your customers want to solve.
- You will have more follow-up sales, because your customers will trust you more, feel less manipulated, and bring you repeat business and/or referrals for further opportunities.

Note: DQ Sales® is a registered trademark and Precision Listening is the copyrighted material of W Roy Whitten, PhD and Scott A Roy.

About the authors

Founded in 2009, Whitten & Roy Partnership operates in 19 countries around the world. It helps leading global businesses and organisations in the developing world transform their sales results.

Dr Roy Whitten is the company's co-founder and director. A specialist in attitude and its role in human performance, he has personally coached and trained more than 100,000 people over 40 years. Co-founder and director Scott Roy is a specialist in the art of selling and sales management. He has built and run large sales organizations as well as cofounding a nationwide insurance company in the United States.

More information is available via www.wrpartnership.com

Case study: Altius

Altius is a software engineering business that specialises in data management solutions deployed in the cloud. The company provide two unique services for its clients: ensuring clients are able to surface and have access to the right information, to track the key areas of their business; and creating formats and systems for presenting this information within the client's business in a way that allows them to act upon the information in order to drive continuous improvement.

CEO Simon Goldsmith had experienced Whitten & Roy Partnership's training in his previous role as SVP for another company, and he approached the partnership with a clear idea of the sales programme he wanted for his staff. Since he had been trained in Whitten & Roy Partnership's model, he also knew that we had to start with the question: "What are the problems I am trying to solve?"

Goldsmith took responsibility for Altius as part of a new investment in the business in 2013 and needed to identify why the business hadn't been growing. Using precision listening – over several conversations spanning several weeks – we coached him to discover how these problems had developed, which revealed issues that we needed to address.

Once all the issues were identified, we were able to work collaboratively on the fundamental problem that drove many of the others: the organisation required our support to help the team to learn and master the complex sale.

This problem was giving rise to many of the issues, such as:

- Chasing whatever selling approach seemed to be succeeding in the moment.
- Defaulting to the standard selling behaviour of developing value propositions and pitching them to potential buyers.
- Defaulting to pitching in customer conversations because no other options seemed to exist.
- Settling for speaking only to technical people instead of other key stakeholders because they couldn't see how to gain access to the C-suite.
- Retreating to comfort-zone selling, where salespeople only do what they feel confident about.
- Repeating the same ineffectual behaviours, hoping for a different result.
- Expending significant managerial energy and time attempting to keep up with what salespeople were doing or not doing and trying to figure out how to help.

This discovery required several hours of discussion, but with it came a solution that really worked. Together, we developed a selling framework that every salesperson could use, according to their own personality. We made it fully customer-centric, so that the Altius selling process involved leading their customers through a buying process that resulted in the customers making the best possible decision for their business.

We trained their sales and service staff in the process, combining face-to-face experiential training with several months of real-time embedding. In 12 months, Altius had transformed the effectiveness of its sales force and nearly doubled their sales.

Altius mastered the new selling framework and is now recognized by clients as a trusted partner that doesn't seek to force a solution. The company is known for understanding its clients' problems and building a cost model before exploring the right implementation.

Sales director Bradley Malloy concludes: "At least two-thirds of the revenue we generate is a consequence of our ability to engage focusing on the problems of our clients and engaging with senior stakeholders."

Brexit survey results

Nick de Cent

Methodology

The *International Journal of Sales Transformation's* post-Brexit survey was carried out using Survey Monkey among a self-selecting group of subscribers to the *Journal*, in addition to the clients and contacts of CEB (Corporate Executive Board), Consalia, Cranfield University School of Management, the Summit Group, and the Women in Sales Awards. The survey consisted of 26 multiple-choice questions with the additional option of free-form answers available for some questions.

Respondents

A total of 90 valid, completed or partially completed responses were received: 81% or respondents were male and 18% were female. Age groups of respondents were distributed from just over 1% in the age range 18-24 to slightly more than 2% in the 65-74% range. The modal range was the 45-54% group at almost 40%, while there were just over 25% in each of the ranges 35-44 and 55-64.

The nationality and also country of residence of the respondents showed significant variation. British was perhaps unsurprisingly listed as the nationality of the largest group of respondents at almost 57%, but there were also respondents who listed their nationality as: American, Australian, Austrian, Canadian, Dutch, French, German, Hong Kong Chinese, Irish, Korean, Singaporean, Spanish, Swedish, and Swiss. The majority were resident in the UK (59%) with significant numbers from the USA and Canada, while others were resident in: Australia, Austria, France, Germany, Hong Kong, Ireland, Japan, Korea, Netherlands, Philippines, Singapore, Spain, Sweden, and Switzerland.

At almost 31%, the largest group of respondents represented large companies with over 10,000 employees (see **figure 1**). Respondents from the two smallest size of organisation came next: 1-10 employees (25%) and 11-50 employees (18%).

Q6 What is the size of your company?

Answered: **91** Skipped: **0**

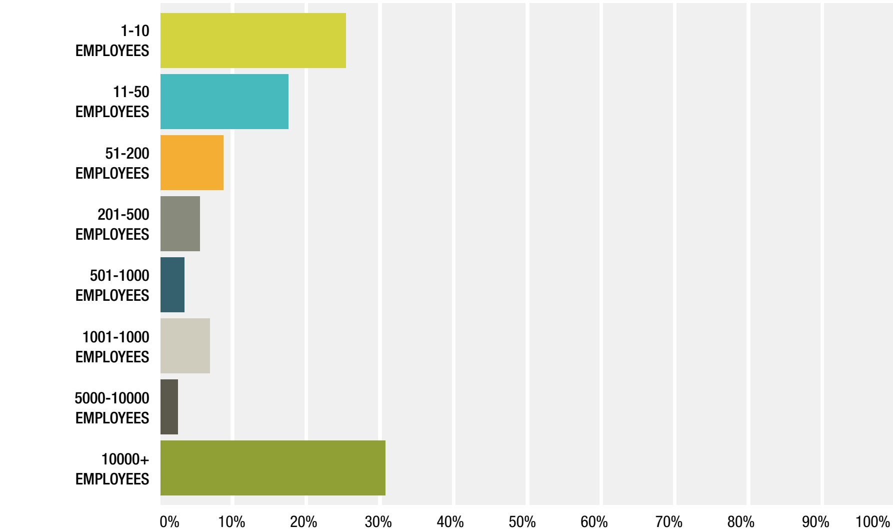


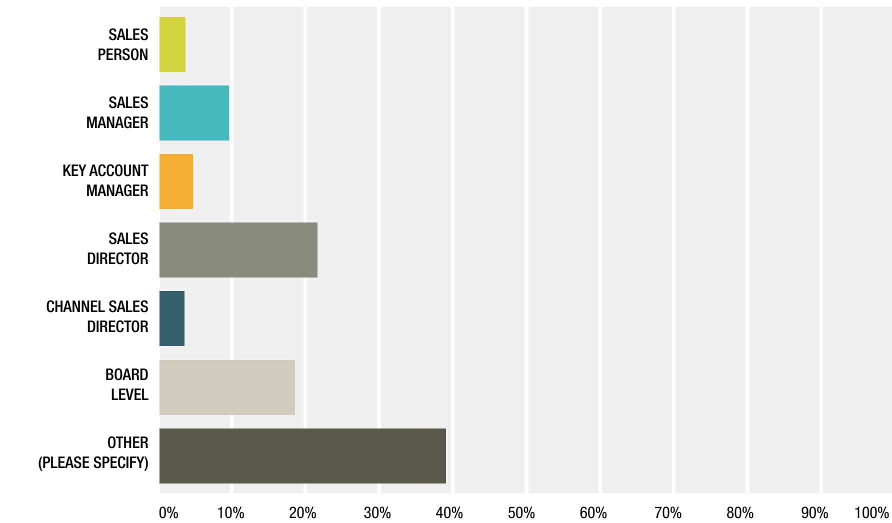
Figure 1: respondents by size of organisation.

The majority of respondents (43%) were from senior management, listing their role as sales director (21%), channel sales director (3%) or board level (19%). There was a significant contingent listing their role as "other" and this category also contained a considerable number of senior managers such as vice-presidents, European-wide roles, and managing directors, as well as sales excellence/ training managers and academics.

Figure 2: respondents by role.

Q7 Which of the following best represent you role?

Answered: **91** Skipped: **0**



Q8 Which of the following markets does you business primarily focus on?

Answered: **91** Skipped: **0**

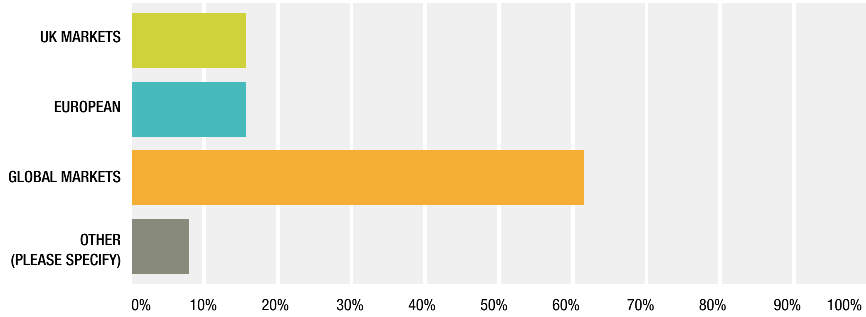


Figure 3: distribution of respondents by markets served

Figure 3 shows that the majority of respondents serve global markets (61%), with 15% each serving UK or European markets; 7% serve "other" markets, including ASEAN, Australia, Hong Kong, Latin America, and Switzerland.

Finally, mirroring the sales profession as a whole, the majority of respondents said that they did not belong to a professional body (56%) while 44% did. However, it should be noted that not all respondents were from the sales profession (academics, admin, general management, HR, marketing) so these figures should be viewed in this context.

Data analysis

More than half of respondents felt unprepared (44.7%) or very unprepared (14.5%) for Brexit, while about a third considered their firms to be prepared (26.3%) or very prepared (6.6%).

Asking what the main business advantages and disadvantages (aside from macroeconomic effects) of the Brexit vote might be over the coming 12 months produced some interesting results, with a surprising variety of responses across both questions. Less surprisingly, from an international business audience, around a third of respondents was able to divine no business benefit from the referendum result; at the same time more than a third cited uncertainty/loss of confidence as the principal of disadvantage arising.

However, with a broad cross-section of companies of different sizes, representing multiple industry sectors and responding from countries all around the globe, sentiment was by no means entirely negative. Sterling's falling exchange rate was something of a double-edged sword: it was seen as a definite positive by many seeking to export, although it also had negative potential particularly for supplies priced in dollars or euros; it was also seen as reducing the value of UK investments.

At the same time, many respondents cited new opportunities and wider trade opportunities as potential beneficial consequences, while negatives were seen as: potential loss of investment in the UK, damaged relationships with European colleagues and markets, delayed business decisions, and an effect on the recruitment of skilled talent.

Some respondents in Europe felt that Brexit would have few consequences for them, although others speculated that a potential UK downturn (predicted by a few respondents) would have an overall knock-on effect over the wider European and global economy.

With the survey coming so soon after the Brexit vote some responses showed clear evidence of the passions aroused by the debate on either side. Equally, many of the responses were clearly influenced by the political focus of media debate over the period immediately after the vote – mentioning potential breakup of the UK, fears of an inward-looking UK, declining international influence for the country – while others took time to detail business advantages and disadvantages specific to their company or sector.

Here are a few of the potential business benefits and disadvantages given by survey respondents:

Potential benefits of Brexit vote – New business opportunities ("uncertainty creates opportunity") and wider trade opportunities beyond the EU; exchange rate advantages (including lower costs from the perspective of global companies); less red tape; greater concentration on UK suppliers; potential near-shoring benefits; potential corporation and other tax benefits; a change in business mind-set for the UK stimulating competitive attitude/survival instinct; and reduced competition.

Potential disadvantages of Brexit vote – Uncertainty; lack of access to markets and fewer European opportunities including allied effects such as trade restrictions, financial market limitations and reduced movement of goods and people; delayed business decisions and longer sales cycles; potential downturn in the UK and beyond; forecasting would be more difficult; loss of investment; damaged relationships with European trading partners and colleagues; increased costs; potential break-up of the UK; wage inflation; and duplication of standards and increase in the administrative burden.

Q14 What impact do you see Brexit having on your sales cycle over the coming 12 months?

Answered: **76** Skipped: **15**

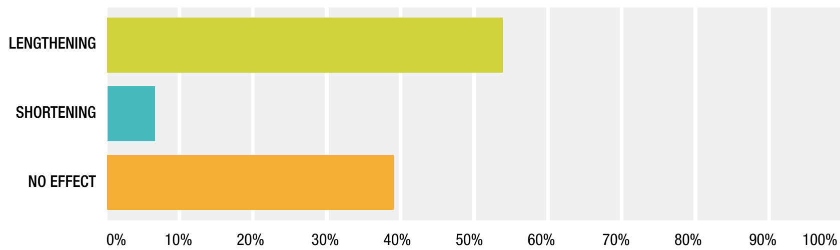


Figure 4: Brexit's impact on the sales cycle.

Sales impact

An almost inevitable consequence of uncertainty is the perceived lengthening of sales cycles (see **figure** 4). However,

Q15 What impact do you see Brexit having on the number of opportunities for your business over the coming 12 months?

Answered: **76** Skipped: **15**

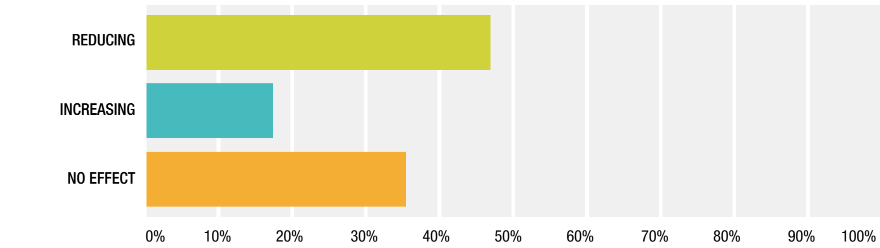


Figure 5: Brexit's impact on business opportunities.

Q16 What impact do you see Brexit having on your average deal size over the coming 12 months?

Answered: **76** Skipped: **15**

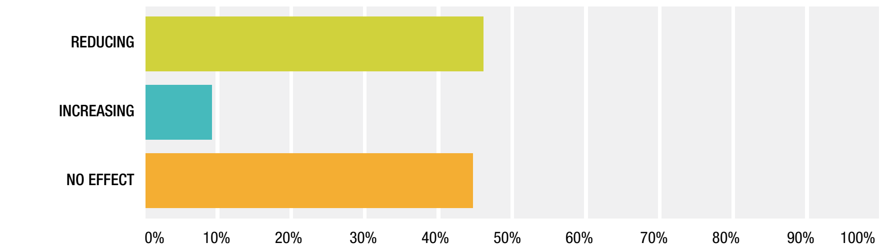


Figure 6: Brexit's impact on average deal size.

Q18 To what extent do you see the current value of the pound helping you / your company to achieve sales targets over the next 12 months?

Answered: **76** Skipped: **15**

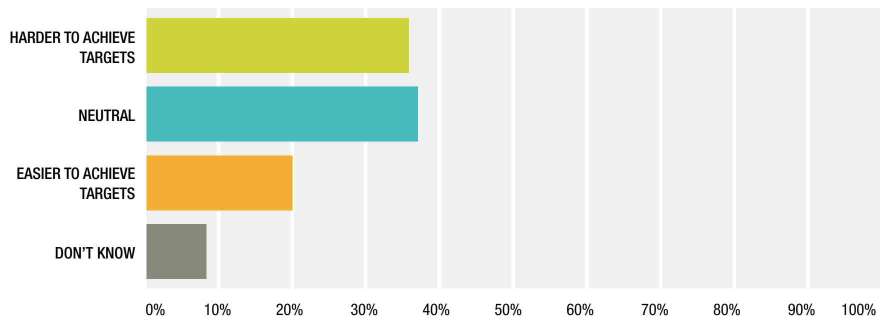


Figure 7: Impact of sterling exchange rate.

a surprising 40% predicted no impact on the length of their sales cycle, while almost 7% even felt that sales cycles would shorten. Nevertheless, a clear majority – almost 54% – foresee lengthening sales cycles.

Predictions around the number of business opportunities were less clear-cut (see **figure** 5). While some 47% expected the number of sales opportunities to reduce over the coming 12 months, 17% actually saw them increasing and almost 36% predicted no change – meaning that there is actually a slight majority (53%) of sentiment predicting business as usual or better.

Meanwhile, the Brexit result is deemed to have relatively little impact on deal size (**figure** 6), according to respondents. While some 46% see deal size reducing over the coming 12 months, equally almost 45% foresee no effect on average deal size; meanwhile, slightly over 9% actually see deal size increasing. (Editor's note: It should be remembered that survey respondents are drawn from all around the world and many are global companies.) Thus, a clear majority again see no short-term impact on average deal size.

> *The professionalisation of sales was also high on the agenda: 68% felt this would be more important in the context of the Brexit vote*

Sterling's value

The value of the pound has already been flagged up as an expected benefit to some and also a potential disadvantage to others (see **figure** 7), depending on its effect on UK exports, costs, wages and investments. Nevertheless, over 35% of respondents predicted that the exchange rate would have a detrimental effect on their ability, or their company's ability, to achieve sales targets over the coming 12-month period. Slightly more – almost 37% – felt that the effect of exchange rates would be neutral, while almost 20% predicted that it would be easier to achieve their targets. There were almost 8% "don't knows".

Q19 In your opinion, will Brexit make it easier or more difficult to conduct business internationally over the next 12 months?

Answered: **76** Skipped: **15**

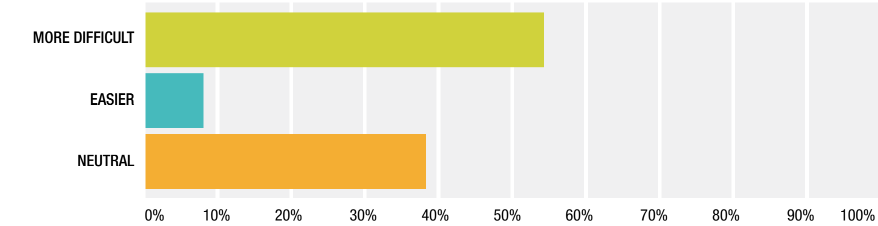


Figure 8: Difficulty of conducting international business.

Q20 To what extent do you see Brexit impacting upon turnover of your sales talent?

Answered: **72** Skipped: **19**

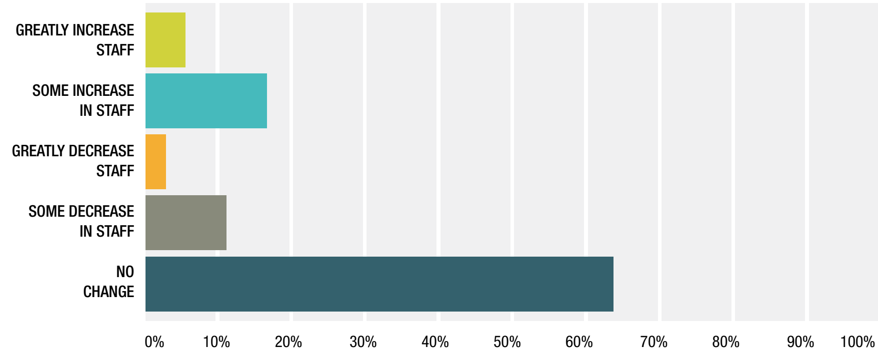


Figure 9: Brexit's impact on sales talent turnover.

Q21 How do you see Brexit impacting upon your company's recruitment of sales talent? (More than one answer accepted)?

Answered: **72** Skipped: **19**

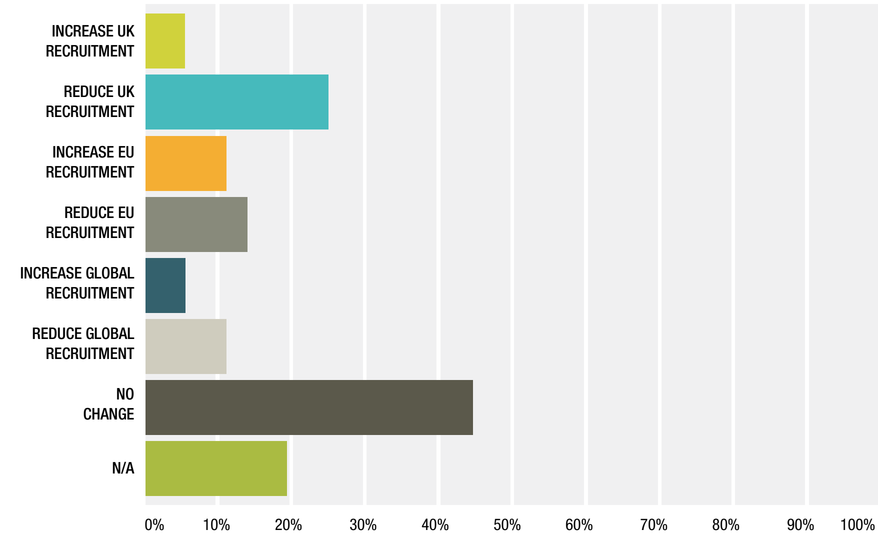


Figure 10: Brexit's impact on hiring of sales talent.

There was more consensus around how difficult it would be to do business over coming months (see **figure** 8), with a solid majority – almost 54% - predicting that it would be harder. In contrast, only 8% felt that business would be easier, while 38% were neutral.

Effect on talent

Brexit is unlikely to have much of an effect on the turnover of sales talent, according to respondents (**figure** 9): almost 64% predicted no change. However, some 22% predicted an increase in talent turnover – almost 6% at a high level and some 16% at a lower level – while almost 14% predicted the referendum result would greatly reduce staff turnover or slightly reduce it.

In terms of Brexit's impact on recruiting sales talent (**figure** 10), the largest category of survey respondents (over 44%) felt there would be no change, although a quarter considered that the effect would be to reduce UK recruitment, in contrast to almost 6% who predicted that UK recruitment of sales talent would increase. In terms of European recruitment, responses were more evenly matched: 11% expected to increase EU recruitment, compared with almost 14% who expected to decrease recruitment.

At 11%, almost twice as many felt they would decrease recruitment of salespeople globally, compared with only 6% who expected they would increase recruitment globally. Almost 20% of respondents replied that the question was not applicable. (Editor's note: the figures don't sum to 100% because respondents were able to pick more than one option if applicable.)

As **figure** 11 indicates, there was a strong consensus around the importance of investing in sales talent. Almost 53% agreed in response to the question: "In light of the Brexit decision, to what extent do you agree that investment in your sales talent will be a critical path to securing stability and/or growth over the next two years?" Moreover, a further 26% strongly agreed. In contrast, only 17% disagreed and a further 4% strongly disagreed.

The professionalisation of sales was also high on the agenda: 68% felt this would be more important in the context of the Brexit vote; almost 28% felt considered that it was irrelevant, while and a mere 4% suggested that the professionalisation process would be less important.

There was a strong consensus around the importance of investing in sales talent

Q22 In light of the Brexit decision, to what extent do you agree that investment in your sales talent will be a critical path to securing stability and/or growth over the next two years?

Answered: **72** Skipped: **19**

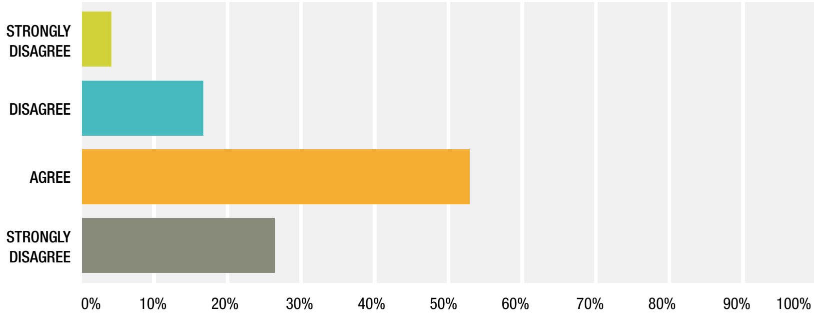


Figure 11: Importance of investing in sales talent.

Q23 In light of the Brexit decision, how important will the "professionalisation" of sales be over the forseeable future?

Answered: **72** Skipped: **19**

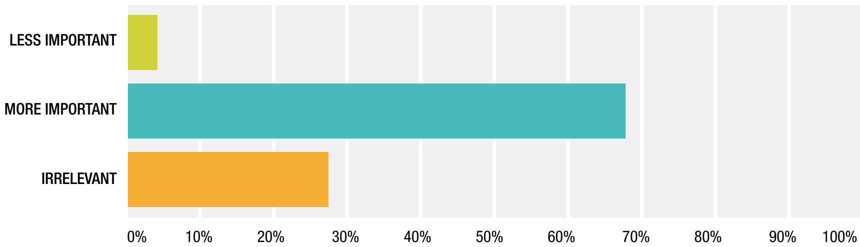


Figure 12: Importance of professionalisation of sales.

More than half of respondents felt unprepared or very unprepared for Brexit, while about a third considered their firms to be prepared or very prepared

Conclusion

The consequences of the Brexit vote are undeniably complex in both business and wider economic terms, as well as politically and socially. While many of the comments received were clearly influenced by short-term media commentary in the immediate aftermath of the referendum, many participants took the trouble to provide a considered opinion of the specific situation as it applied to their own organisation.

However, almost inevitably it was too early to predict all of the ramifications of the referendum decision – these will become clearer over the coming months. We will run the survey again in a few months' time to gauge how these sentiments evolve.

Next steps

Asked what the critical next steps for them and their organisation might be, many of those surveyed were playing a waiting game while also going into an information-gathering cycle to understand the repercussions in relation to their customers and markets. At the same time, a significant number were stepping up communication as they moved to reassure customers and employees. Some of this effort revolved around the rights of UK nationals to work in Europe and for EU citizens to work in the UK.

While some organisations said they would move towards a focus on continental Europe – one global IT organisation suggested it would reduce its number of UK-based sales staff while augmenting its EU-based teams – others were looking to focus more on English-speaking territories, concentrate on the US and Asia, or position themselves as global players.

Business as usual ("carry on regardless"), looking for the opportunities, and making the sales function more competitive were just a few of the sentiments expressed by respondents to the survey. Practical measures included boosting business development, building a partner network in Europe and managing currency issues. Several saw opportunity in the post-Brexit world to take advantage of potentially lower UK corporation tax rates or to make cut-price acquisitions as a consequence of the fall in sterling.

What very much came across was that, although the Brexit vote was a significant political shock that increased uncertainty across the business landscape, by no means all of the respondents felt that the situation was negative.

From Portsmouth to Helsinki

Annie Dunning

> *"The competition is a unique opportunity in which universities worldwide offer their students coaching around sales scenarios that help them prepare for the challenges of sales in the working environment*

We followed the fortunes of two students as they headed for the European Sales Competition in Helsinki.

Held this year on 1 June, the Sales Completion Competition is a unique opportunity in which universities worldwide offer their students coaching around sales scenarios that help them prepare for the challenges of sales in the working environment. This experience supplements their lectures and seminars, enabling them to develop key skills in objection handling and understanding the value of the sales proposition through the eyes of the buyer, along with an understanding of buyer-seller negotiation leading to mutual gains.

"The purpose of the competition is to raise the appreciation of professional sales work, to learn the concept of selling at a European level and to learn necessary sales skills in a multicultural environment."[1]

The winners of the European leg are then invited to the world finals created by SEF, Sales Education Foundation USA.

Coaching sessions were held before the Portsmouth finals in February and again after exam period with the students and their coaches. The buyer and seller situations were explored so that the students could fully understand the scenario. This was relayed as a sales call to Mr Hans Hamran (Fictitious head of Oracle Technology Sales Business Unit).

Portsmouth team

The University of Portsmouth Business School team consisted of Ed Adams and Alec Papuca, both second-year International Business students taking the Professional Sales option.

KAM Club delegates. Prof Neil Rackham (centre) with Ed Adams (left) and Alex Papuca, after winning the preliminary rounds at Portsmouth Business School.

Ed and Alex were successful in the preliminary rounds held at the business school where two activities had to be completed: first, a two-minute "elevator pitch" to convince the decision maker (Professor Neil Rackham) of their value proposition such that he would agree to a follow-up meeting; this was followed by a call to a "gate keeper" (in this case the PA to the decision maker) to actually get the meeting in place.

In Helsinki

A sunny and beautifully bright morning welcomed 24 finalists from 12 European universities to Haaga-Helia University of Applied Sciences on competition day. A very early start for the British participants (5:30 GMT for registration) brought home one aspect of international business! Time slots were drawn with Ed due to start at 09.30am, while Alex had a painful two-and-a-half-hour wait before his call at 12pm.

In Helsinki: Ed Adams, Annie Dunning and Alex Papuca.

Both were fully confident of their knowledge and understanding; having discussed every possible objection and with excellent insight into key areas of value they were in a strong position to deal with any unforeseen objections the buyer was likely to raise.

With briefing of academic and industrial judges – and the "buyers" – complete, the auditorium was vibrant with anticipation as Teemu Kokko of Haaga-Helia University of Applied Sciences and Liisa Kairisto-Mertane Turku University of Applied Sciences introduced the event.

The students took part in four heats with just four eligible for the European final. Each sales slot lasted for 20 minutes with the students playing the role of a sales representative for Firstbeat Technologies in the Health and Wellbeing division. The buyers were a team from Oracle.

While the initial round with the first four contestants was underway in separate rooms, the other competitors were situated in the neutral area of the "Green Room". As the same scenario was being used for all participants, it was important to maintain confidentiality and ensure a level playing field, so no telephones were allowed.

> "*A very early start for the British participants brought home one aspect of international business!*

Both students were very pleased with their performance, with Alex being approached immediately afterwards with an offer of a placement with Firstbeat while Gartner Group expressed keen interest in Ed for future employment.

Finals

Following the opening rounds, one finalist was selected from each group: Zahir Wanga (Han University of Applied Sciences), Simon Ampe (Vlerick Business School), Husain Al Waily Windesheim (Haaga-Helia University of Applied Sciences) and

> *Students with a passion for sales, and an underpinning of theory, are able to shine in the roleplay competition with the opportunity of career enhancement within this dynamic field of professional sales*

Sebastiaan Debrouwere (also Vlerick Business School). Ed was selected as a training partner for the duration of the finals.

A live stream to the auditorium, which was also broadcast live online, enabled everyone to witness each finalist's sales strategy as they overcame the challenges posed by not just one, but two buyers. The winner, selected by the academic and commercial judges, was Sebastiaan Debrouwere of the Vlerick Business School. This was a well-deserved achievement against excellent work from all competitors, which demonstrated the high calibre of the students' professional sales capability.

Why enter?

So, what is the benefit of this competition? Students with a passion for sales, and an underpinning of theory, are able to shine in the roleplay competition with the opportunity of career enhancement within this dynamic field of professional sales. A polished understanding, leading to a natural questioning strategy, helps to form a beneficial negotiation and ultimately a mutual conclusion.

The event provided not only the opportunity to demonstrate sales ability but also to expose the students to companies and sponsors offering networking opportunities to forge relationships by showcasing the students' CVs and their abilities.

At Portsmouth, we have already starting planning for our students to qualify for next year's European competition, which will be held at Edinburgh Napier University. Both Ed and Alex were very pleased with their involvement in the competition and the preparation they received. They have both already offered to present this to their fellow students to encourage them to take part next year, although, as two of the youngest competitors, we might expect them to want to compete again in 2017.

Visiting Professor Neil Rackham has been very impressed by the skills of our students during the UoP preliminary rounds and has long supported the imperative to increase sales education opportunities in Europe. Living now in the USA he sees much greater focus on sales from US universities.

Ed and Alex's experience builds on our first student entry into the worldwide competition in 2011-12. Amanda Nye was the highest-placed non-US competitor, coming third in the Elevator Pitch section. Her coach, Dr Beth Rogers, Head of Marketing & Sales Subject Group, has long promoted the need to focus on sales to ensure that our businesses can compete, reflecting the ESC statement that "European companies have an ongoing lack of international sales professionals, which undermines the competitiveness of European enterprises in the international market."

The competitors: participants from across Europe.

For more details on the competition please visit:
http://www.europeansalescompetition.com/en

[1]ESC guide, part of the EU *Lifelong Learning Programme*

EUROPEAN SALES COMPETITION

About the author

Annie Dunning is a lecturer at the University of Portsmouth Business School.

Selling across Europe

Pia Hautamäki and Sini Jokiniemi

Competition winner Sebastiaan Debrouwere from Vlerick Business School, Belgium (second right) and student opponent coach to the winner, Ares Hamid from Arnheim & Nijmegen University of Applied Sciences (left); fourth placed Zahir Wanga from Arnheim & Nijmegen (second left); third-placed Husain Al Waily from Windesheim University of Applied Sciences (centre); and second placed Simon Ampe from Vlerick Business School (far right).

The European Sales Competition offers the opportunity for coaching, judging and learning B2B selling.

Efforts at teaching selling or conducting sales research have been scant in Europe. When compared with the strong tradition of teaching sales and running sales competitions in the United States, European universities are far behind, although catching up as we speak.

At the same time, there has also been a shift from product-based selling to understanding customers' business processes and usage value. The contemporary competitive sales environment and rising customer expectations call for true sales talents and skills.

The Europe 2020 strategy (Europe 2020, the EU Growth Strategy) highlights the importance of European-wide success and economic growth. Growth may be partly generated with more effective and efficient sales efforts based on market knowledge and customer-related understanding. However, European companies have a continuing shortage of international sales professionals, which undermines the competitiveness of European enterprises in the international market. Meanwhile, cost-cutting pressures in universities are forcing them to find new teaching methods.

Time is ripe for joining forces and promoting mutual initiatives in an innovative way to ensure state-of-the-art sales education so that we can "breed" a new generation of sales professionals.

In Finland we are proud to state that we already train future sales professionals at two Universities of Applied Sciences: in Haaga-Helia, Helsinki and in Turku. We have organised an annual national sales competition since 2010. In addition, we run local sales competitions with exchange students and international visitors as part of our sales degree programmes.

Based on our business partners' testimonials, the students who have graduated from our B2B sales degree programmes often become the best top five performers in these organizations. This kind of feedback makes us proud and gives energy for developing methods of teaching sales skills even further. Another big boost came from co-hosting the European Sales Competition in Helsinki on 1 June 1 2016.

Developing the European Sales Competition

In 2012 we had the opportunity to start building a European-level sales competition with the help of EU funding. Our European Sales Competition (ESC) project was organised by Turku University of Applied Sciences, Finland, along with Haaga-Helia UAS from Finland, Wiener Neustadt from Austria, and Vlerick Business School from Belgium. Under the project,

In the “green room”.

the goal was for these universities to work towards enhancing sales education in the Europe.

The various project participants constructed and distributed three manuals to European universities in relation to ESC: the first is designed to help students prepare for B2B sales meetings; the second is a manual for coaches; and the third is for the institution organising the competition. This has enabled all interested parties to arrange their own national sales competitions in line with the ESC concept, and to select the best national sales students to compete in ESC.

In addition to enhancing the level of sales education in Europe, the purpose of organising competitions at a European level has also been to:

- raise appreciation of professional sales work generally;
- share the concept of demanding B2B selling in Europe; and
- promote learning of necessary sales skills in a multicultural environment.

The ESC model ensures for the first time that students have an opportunity to compete with other student colleagues coming from all around Europe.

On the day of the competition

During the actual competition day, students’ personal selling skills are assessed in a simulated B2B, face-to-face sales meeting. The ESC starts with the semi-finals where students meet with the customer for 20 minutes in a role-play situation.

For students, the sales competition offers an opportunity to develop and improve their international selling skills while showcasing their talents to the business professionals serving as judges. Just as importantly, sponsoring companies can enjoy costs savings in relation to recruiting new sales talent, in addition to contributing to their employer branding initiatives. It’s a win-win situation.

Evaluating sales performances

As selling is a behaviour-based competency, is it possible to actually evaluate selling performances and to compare students based on their selling skills? It is tricky but it can actually be done in an efficient and coherent manner.

The main tool of the European Sales Competition concept is the evaluation form. There is one form for the semi-finals and another for the finals. Sales students are coached in line with the themes described in the evaluation forms. Thus, all students prepare for the competition based on a shared vision of an optimal sales meeting. In addition, evaluation forms ensure that judging is based on a transparent method and a fair and accurate evaluation can be guaranteed for all competitors.

The evaluation forms underline three components: customer-orientation, a logical process and interpersonal skills. First, customer-orientation is highlighted, for example, by ensuring that the salesperson asks enough open-ended questions and aims to genuinely understand the customer’s business goals and any potential obstacles. The salesperson should abandon product-based knowledge to bravely step outside this traditional comfort zone and listen to the customer’s business objectives and offer matching solutions.

Secondly, although the simulated B2B sales meeting last only 20 minutes in the competition, it can be seen as a process consisting of consecutive phases. This process starts with an opening and ends with a closure but what matters most is what takes place in between. Customer-orientation comes into play as the salesperson first guides the conversation towards needs identification. This is considered the most significant phase of the whole meeting.

Then, the presentation (of the product/solution) follows. Everything the salesperson brings out during the presentation phase should be based on the information he or she has learned from the customer during the needs-identification phase. This ensures the salesperson can genuinely offer the

Competition hosts: Karla Vallila and Mimosa Sukanen.

Meet the sponsors: Pia Hautamäki, co-director of ESC 2016; Maija Korkalainen, Head of Marketing at Firstbeat; and Juho Tuppurainen, Vice President of Wellness Technologies at Firstbeat.

^ Participants gather for the competition in the foyer of Haaga-Helia University of Applied Sciences.

^ Ready to announce the winner: (left to right) Karla Vallila, winner of ESC 2015 and co-host for the finals and evening gala; Mimosa Sukanen, finalist of ESC 2015 and co-host for the finals and evening gala; Pia Hautamäki, co-director of ESC 2016; and Sini Jokiniemi, co-director of ESC 2016.

customer a solution that is aligned to the customer's business objectives and objectives.

The third part of the evaluation form stresses the salesperson's interpersonal skills. Is the salesperson capable of building rapport, adjusting his behaviour in line with the customer and communicating in an effective manner? This is also the part where students' personalities may flourish.

> *Business-to-business sales meetings are a powerful form of face-to-face interaction that are generally becoming ever more valuable, yet scarce in the business world*

Although the sales meeting follows certain logical steps and requires customer-orientation, at the end of the day everything comes down to interpersonal interaction. Do I enjoy talking with this person, do I get new ideas out of this conversation, are we on the same page, would I want to discuss with him or her again?

Business-to-business sales meetings are a powerful form of face-to-face interaction that are generally becoming ever more valuable, yet scarce in the business world – time is a pricy asset. However, these kinds of meetings – where complex possibilities and solutions need to be discussed and understood within the context of human-to-human interaction can be facilitated but not replaced by technological innovations. Fortunately, there remains both room and a need for customer-oriented, skilful new sales professionals in the future as well.

About the authors

Pia Hautamäki is Co-Director of the European Sales Competition 2016, Haaga-Helia University of Applied Sciences. Sini Jokiniemi is Co-Director of the European Sales Competition 2016, Turku University of Applied Sciences.

Must Attend

Recognising female sales talent across Europe

Last year's Most Distinguished Sales Woman: Louise Davies, Thomson Reuters

Encouraging diversity in the workplace is increasingly seen as a way of making companies stronger in the modern business environment. One key area of diversity is encouraging women to enter and excel in traditionally male-dominated fields such as sales

The Women in Sales Awards represent an opportunity to celebrate the achievements of women in sales roles, which is why the *Journal* is proud to be a media partner of this programme.

Winners will be announced at a gala evening at London's Lancaster Hotel, situated overlooking Hyde Park. Starting at 18.45, this glittering event includes a drinks reception, dinner with entertainment acts and guest speakers. The awards presentations will be a 21.45 and there will be further entertainment until midnight.

Previous category winners have included women from companies such as MetLife Europe, Sodexo, Sony Mobile, O2, PepsiCo, Verizon and Thomson Reuters. The Most Distinguished Sales Woman of 2015 was Louise Davies, Lead Account Director at Thomson Reuters (UK); in 2014, the overall winner was Serra Erelcin, an Account Manager in Istanbul, also from Thomson Reuters; in 2013, Daniela Becker-Russell, Director CRM Sales, Oracle (Ireland), was judged to be the most distinguished sales woman of the year.

According to Afi Ofori, managing director of organisers Zars Media, the winners and finalists will become role models for other women in their firm and ambassadors for their organisations. "Their achievement and recognition will act as an inspiration to others within the company."

She also highlights the fact that mentorship plays a vital part in career advancement. "The winners and finalists will be able to share advice and mentor others in the company based on their successful approach to sales," she tells the *Journal*.

The 2016 Women in Sales Awards Europe, The Lancaster, London, 8 December 2016. Nominations close on 8 September; judging is on 10 November 2016, Wokefield Park, Reading. www.wisawards.com

What's on

Awards

2016 Women in Sales Awards Europe
8 December 2016, The Lancaster, London
Judging on 10 November 2016, Wokefield Park, Reading.
www.wisawards.com

Conferences

Global Sales Transformation XI
8 September 2016, The London Stock Exchange, UK
TED-style conference that will appeal to students, academics and senior-level sales leaders responsible for driving performance and transformation within their organisations. This event is supported by the APS.
For further details, contact Philip Linter: plinter@consalia.com

National Sales Conference 2016
6 October, 2016, Ricoh Arena, Coventry, UK
Keynotes include: Will Greenwood MBE, former HSBC trader and Rugby World Cup winner; Maggie Buggie, VP and Global Head of Digital Sales & Marketing, Capgemini; Lord Digby Jones, former CBI Director General and Minister of State for Trade & Investment; and Colonel Kevin Farrell PhD, Chief of Military History at the US Military Academy and leadership expert.
www.sales-expo.co.uk.

US sales competitions

Indiana State University Sales Career Exploration Event
September 2016, Scott College of Business, Sales and Negotiations Center
http://www.indstate.edu/business/sales/

Ball State Regional Sales Competition
7 October 2016, Center for Professional Selling, Ball State University, Muncie, IN
http://salescenter.wixsite.com/bsu-competition

Texas A&M Collegiate Sales Competition – Internal Event
13-15 October 2016, Texas A&M University, College Station, TX
http://mays.tamu.edu/professional-selling-initiative/sponsor-sign-up/

The Great Northwoods Sales Warm Up
20-22 October 2016, University of Wisconsin-Eau Claire
http://www.uwecsaleswarmup.com

West Virginia University Regional Sales Competition
October 2016, West Virginia University

NTSC – National Team Selling Competition – Indiana University
27-28 October 2016, Kelley School of Business, Indiana University, Bloomington, IN

Pi Sigma Epsilon (PSE) Pro-Am Sell-A-Thon Regional Conferences
Throughout October and November
https://pse.org/index.php/mainmenu-events/regconf/reg-schedule

American Marketing Association (Ama) Collegiate Chapter Events And International Collegiate Conference
Throughout October and November
https://www.ama.org/students/Pages/northwestern_mutual_sales_competition.aspx