

Increasing Sales Performance systematically

How to leverage the hidden potentials in your sales organization and overcome barriers to growth

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Sales is a powerful lever to increase business performance. But where should a company start? After all, sales organizations are complex structures with multiple internal and external interfaces.

When it comes to boosting sales performance, the most obvious step seems to improve selling skills through qualification measures and to hope that the investment will be recovered by better sales results. In trainings, topics like questioning and closing techniques, objection handling etc. are practised in role plays and then transferred to the company's specific situation.

These initiatives are important as they help the sales force to lead negotiations more effectively and to make a convincing impression with buyers. However, we should take into consideration that the salesforce is only one part of a company's sales organization and that the former cannot compensate for all of the latter's weaknesses.

Taking a wider perspective, a sales organization's performance can be improved in 3 steps:

1. Identify the success-critical areas of the sales organization.
2. Assess the performance in the success-critical areas. This can be done, e.g., through a questionnaire-based self-evaluation.
3. Develop and implement targeted measures to overcome identified weaknesses in the success-critical areas.

Sales Performance Drivers

The performance drivers of a sales organization include 10 categories. Above-average performance in these areas has a direct impact on a company's financial results. Industry- and company-specific performance drivers may have to be added.

Sales Performance Drivers

- | | |
|------------------------|-----------------------------|
| 1. Sales strategy | 6. Internal interfaces |
| 2. Sales partners | 7. Customers relationships |
| 3. Pricing | 8. Sales process |
| 4. Information systems | 9. New customer acquisition |
| 5. Competition | 10. Leadership |

Sales Performance Audit

Based on the following statements, you can assess your performance in the success-critical areas of your sales organization. If all statements fully apply to your company, you belong to the top 5% of the most successful companies.

1. Sales strategy

- Our sales organization clearly differentiates between attractive and less attractive customers and manages them accordingly.
- Our benefit argumentation is clearly tailored to the different market segments.
- We know each customer's total potential and our own share as a supplier.

2. Sales partners

- We regularly measure the satisfaction of our sales partners both at home and abroad.
- Our sales partners learn from each other through best practice.
- We train our sales partners regularly and systematically.

3. Pricing

- We only grant rebates in return for commensurate customer concessions.
- Our company rather accepts a decrease in quantity than in price.
- We systematically check whether rebates are still justified.

4. Information systems

- Our company has a CRM system which is considered useful by our sellers and which is systematically used.
- Our CRM system is always up-to-date.
- Information about new products is systematically prepared and promptly communicated to all those concerned.

5. Competition

- Our sellers have precise knowledge about the competition at the customer level.
- We know our strengths and weaknesses relative to our competitors.
- We quickly recognize changes in our competitive environment and act accordingly.

6. Internal interfaces

- The sales administration department promptly informs the sales force about customer complaints.
- Cooperation between Marketing and Sales is excellent.
- All departments with regular customer contact exchange information regularly.

7. Customer relationships

- We regularly assess our customers' satisfaction. On that basis, improvements are immediately implemented and communicated to the customer.
- Complaints are handled quickly and in a customer-oriented way.
- Customer bonding tools are applied depending on the customer's importance.

8. Sales process

- We know the decision makers involved in the customer purchasing process (Buying Center) and our benefit argumentation is targeted at their individual needs.
- Our sellers actively pursue cross-selling opportunities.
- We systematically apply a consultative selling methodology.

9. New customer acquisition

- Our sellers allocate at least 20% of their time to new customer acquisition
- Our sales administration staff actively prospects for new customers.
- The number of new customers to be acquired within a given period is clearly specified.

10. Leadership

- We motivate our sales force with an attractive incentive system to achieve top performance.
- Our leaders are always accessible to their co-workers and they coach them to improve performance.
- We lead our sellers with clearly specified targets.

Result

What is the result of your assessment? Do the above statements fully apply to your company? Do you belong to the top 5%? If you have identified deficits, what steps and actions are necessary to improve your situation?