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Articles in the press

Holistically speaking: sales improvement and HR

Forget the short term approach to improving the performance of sales staff, HR needs to get holistic, argues John Bancroft.

Recent research from Cranfield School of Management revealed that half of companies who expect to recruit sales staff over the next six months expect to experience recruitment difficulties. Many companies are currently struggling to find experienced sales staff with a good track record and have to pay unrealistically high salaries if they are to find those with the right experience and qualifications.

How you, as a company, hire, train, develop and support your sales professionals has a direct impact on the bottom line. The sales person is often the first person that a potential customer meets and certainly plays an influential part in whether or not your goods and services are purchased. What you sell, how much and at what price has a tremendous impact on how or whether your company grows.

The selling operation is perhaps under more pressure now than ever before, with less skilled sales people in the market, more product launches, increased competition, difficulty in differentiating products and services, market commoditisation and a marked shift in business-buying behaviour.

Sales people not only need to be practised in the art of selling to achieve results, but they also need to have a reasonable understanding of industry sectors, the issues individual companies are struggling with and the decision making process.

For a sales person to be truly successful they often need the ability to deliver their proposition at board level and to demonstrate that their product or service will increase shareholder value with a recognised return on investment. Add to this, the lack of industry experienced, well trained, seasoned sales executives and it is no surprise that people performance issues are rife in the sales operation.

The challenge of recruiting, retaining and motivating top sales people has real business implications if it is not handled properly.

Crucially, the HR function is usually involved at every level from providing remedial action to resolving people issues including recruiting, developing, assessing, organising training, disciplining, changing contracts and targets or letting staff go.

HR professionals will also be acutely aware that current pressure on revenue has had a direct impact on training and development budgets in many organisations. Any investment needs to be measured closely for its effectiveness and ability to deliver to the bottom line.

It's essential to take a holistic and street wise approach to helping staff perform to their full potential. However, our experience is that many organisations do not take a holistic approach to the recruitment and development of their sales people and revert to short-term tactics and motivational tools that are out of touch with the real needs.

For instance, one way companies try to resolve sales performance issues is to try buying their way out of trouble by bringing in what we call elephant hunters or top sales closers. However, the cost of just hiring these people can be anything from £30,000 upwards. Add this to the fact the induction or 'ramp up' period for a sales person then takes at least three months, and it's an expensive proposition.

Often when there is a sales performance issue, companies will try to train themselves out of the problem without looking as closely as they should at the importance of co-ordinating training and development with other internal supports. Feedback we've had from some very experienced sales trainers highlights the fact that that they can give the best sales training ever, but unless it is internalised and then supported within their working environment it is not going to become habitual and therefore not effective.

There is a common misperception that the only reason people go into sales is the money - which can lead to the wrong people trying to make a career in sales. People move in to sales for various reasons. First and foremost, is because they both enjoy and are good at dealing with people.

Secondly, they relish the autonomy to be their own boss, which the position gives them in many respects. Also, the freedom to travel and to not be tied to a particular location appeals. Finally, the financial reward is an important motivator, but should not be seen as the prime motivator.

Expectation management is crucial in any function. By its very nature the role of the sales person is aspirational. Organisations need to be careful about how realistic they are in setting sales targets or they will end up with a de-motivated sales force who lose their drive and enthusiasm if they are unable to deliver to unrealistic expectations. Setting figures that are too high backfires and is not an effective sales-force motivator.

The lesson for HR is that no amount of assessing, training, motivating and disciplining staff will be effective if these measures are not co-ordinated with the back up necessary to maximise the potential of the sales team. In line with the increasingly strategic role of HR, a closer partnership with line managers and heads of department will help to ensure that all the necessary supportive measures including tools, methodologies and information management are in place.

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