

# Is your sales force a dinosaur?

 By [Peter Gilbert](#)

1 Jan 1900

In an environment where customer demands predominate because competition is both relentless and increasingly international, the world of selling must accommodate a dramatically changed world of buying.

The 1970's, 1980's and early 1990's were generally a sellers market. Suppliers operated in an environment characterised by differentiated products, strong demand, a reasonable balance between capacity and demand, and well defined and protected product category boundaries. Most companies focused on revenue growth without worrying too much about profitability because revenue growth typically led to increased profits.

Today the situation is radically changed and forces such as product commoditisation, greatly shortened product life cycles, the proliferation of competitors, professional procurement, the high cost of direct selling and others are rendering many sales forces obsolete. As Rick Canada of Motorola puts it: "The traditional sales force is a dinosaur – a remnant of past success."

And prominent sales authority and author Neil Rackham states: "Irresistible new forces are reshaping the world of selling. Sales functions everywhere are in the early stages of radical and profound changes comparable to those that began in manufacturing 20 years ago... But one change outweighs all the others. The meaning of selling itself is shifting. The very purpose of sales is being rapidly redefined."

Consequently, sales organisations face a huge challenge because there is no longer any sustainable competitive advantage through product superiority and simply selling harder has failed abysmally. The second – and more serious – problem is that the sales rep's customers just don't need him any longer. At least not the way they used to. Traditionally salespeople brought value to their customer by facilitating transactions and communicating information about their products and services. Almost overnight these two core functions of the salesperson have lost their value. These functions, the lifeblood of the selling profession, are diminishing in value as a new era of selling is replacing the old. Customers won't pay for them and soon won't even tolerate them – and they are making that known to their suppliers.

The impact of all of this is reflected in a 1998 survey by Sales & Marketing Management magazine who found that the average company's sales force had shrunk by 26 percent – a loss of one sales position in every four. Salespeople who bring no value to their customers will be replaced by lower cost channels – the internet, catalogue sales, distributors and others.

The new sales professional has a new focus: demand creation, philosophical alignment, in-depth understanding of the customer's business, positioning, executive credibility and the ability to create business solutions that deliver demonstrable

financial value to a customer's business.

The required skills are shifting from product-selling skills to encompass deeper customer knowledge and sophisticated sales and service skills. Consequently there will be fewer, more highly paid, financially literate salespeople supported by dedicated internal cross-functional teams. Minor changes and traditional sales training are guaranteed to fail. Strategic change instead will be required. The shaping of the sales function has become a strategic business issue. For a function largely responsible for company's top line and its margins, the salesforce has received remarkably little executive attention or investment. Winning and keeping profitable customers is mission critical. But many sales forces have changed little in decades. Good enough is no longer good enough. Professionalising the sales function and identifying and hiring top sales talent will be required to drive shareholder value.

Unfortunately the sales function still has a relatively low status and many listed companies do not have a sales director on their board. A study of fortune 500 companies reveals that less than 2% of CEO's came through sales. In many respects sales is the last frontier for organisational improvement. In South Africa it is not possible to acquire a degree in selling and huge sums of money are squandered on sales training provided by sales training companies.

The World Class Sales Benchmarking Study conducted over 7200 sales forces and 100 000 senior business decision makers by Dayton based HR Chally, reveals that most commonly trained sales skills seldom influence customers to buy. To compound the problem further, sales is a talent-based vs. a learned skill and many people will fail in sales, whatever training they are given. You cannot train a person for a job they cannot do. The time has come for executives to take a long hard look at their sales organisations and seriously question whether they are receiving an adequate return on an investment that can easily run at 10-15% of sales.

Professionalising the sales function merits serious executive attention, if it is to become a significant source of competitive advantage.

## ABOUT PETER GILBERT

Peter Gilbert is with Growth Partners

- Which do we need? More sales education or sales training? - 13 Jul 2014
- [2013 trends] Reinventing the sales function - 17 Jan 2013
- Building a great sales force - 27 Nov 2012
- The sales professional *is* the sale - 17 May 2012
- What will the B2B salesperson of tomorrow look like? - 14 Jun 2011

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>