

You can't control the prospect, so manage presale activities to increase performance

SALES MANAGERS and salespeople can increase their productivity and reduce expenses by refocusing their efforts on the activities leading up to sales rather than on the sales themselves.

Unsophisticated salespeople think they have to control the prospect's behavior in order to consummate the sale.

In contrast, professional salespeople know that buying behavior is controlled from within and in response to psychological and physiological needs. Consequently, they do not attempt to control the behavior of prospects in sales situations. They thereby avoid creating the tense atmosphere so often associated with high-pressure selling.

The pro understands that prospects buy *only* to satisfy their needs. So he describes his product as "needs-satisfying" and relies on this message to motivate buying action. Unfortunately, most salespeople and sales managers still strive to meet sales objectives by attempting to control or manage end results (sales).

This misdirected effort impedes their career development, creates peak-and-valley as well as chronic poor performance, and high personnel turnover.

EVERY SALE is preceded by a number of identifiable and controllable activities performed by the salesperson. Examples include direct mail, phone calls, in-person interviews, and product demonstrations.

What's more, there is a "generic" ratio between the activities preceding the sale and the sale itself. The ratio varies according to the industry or market, skill of the salesperson, product, price, and economy.

For example, in one specialized segment of the insurance industry, it takes nine approaches to gain three interviews, which will result in one sale. In this case, the ratio is 3:1 between approaches and interviews and 3:1 between interviews and sales.

In a segment of the computer hardware/software industry, it requires 125 phone calls to gain 25 interviews, from which five demonstrations will be secured. On average, five demonstrations will result in one sale. In this case, all the ratios between phone calls and interviews, interviews and demos, and demos and sales, are 5:1.

Once ratios are determined and an activity/result feedback system has been established, the focus of selling and sales management can be changed from the uncontrollable end result to the far more controllable presale activities.

The feedback system can be used to plan presale activities and to record, measure, and

analyze such activities and compare them to objectives.

More importantly, the system permits analysis of past activity to determine variations between the generic ratio and the individual salesperson's ratio. Such an analysis can identify sales-skill deficiencies and suggest corrective action, thereby helping to increase performance and reduce turnover.

IMAGINE TAKING an auto trip between cities that are 50 miles apart. The highway is clear, the car is mechanically sound, and you're assured there will be no problems en route.

However, the auto contains no speedometer, odometer, and clock, and the road has no signposts. Add to this scenario the requirement that you reach your destination in one hour, without going over the 55-mph speed limit.

Even though ample time is allotted, you can picture the anxiety, frustration, and pressure an individual would experience on such a trip. If you go too slow, you miss your objective; if you go too fast, you break the law.

Those problems are removed when the speedometer, odometer, clock, and road signs are brought back into the picture. These items comprise the "feedback system" which tells the driver that he is on time and controlling the only factor that determines arrival time: miles per hour.

The sales feedback system serves the same function for the salesperson. It removes the anxiety, frustration, and pressure associated with meeting sales objectives. It tells the salesperson that he is controlling the only activities over which he has control: the activities preceding the sale.

THE SYSTEM should be introduced during a meeting between the sales manager and the salesperson (perhaps the annual planning meeting). In this meeting, agreement should be reached on the salesperson's annual income objective, one that will yield a level of sales, which the company considers satisfactory.

Then, the salesperson's average commission from a sale is divided into the income goal to arrive at the number of sales required to meet the income goal. From that point on, using the generic ratios and working backward, the annual number of activities required to meet the income objective can be determined.

These figures are then divided by 50 (working weeks per year) and a weekly activity-performance standard is established. Assuming the salesperson meets the weekly sales-activity performance standard, stays within the generic ratios, and maintains the same average size sale

and commission, the sales goal will be met.

When variations in any of the assumed quantities (ratios, average size commission, or weekly performance standard) occur, the sales manager must explore the cause and prescribe developmental or training action.

This system also alleviates the peak-and-valley performance associated with a cyclical economy. During an economic downturn, an increase in the controllable activities can level out what would traditionally have been a performance valley.

THE SALESPERSON can be held accountable for a specific number of sales activities every week. And performance problems come to light much sooner, thereby permitting corrective action.

Since the salesperson is held accountable for controllable activities, he operates in a more relaxed fashion. This reduces pressure during the prospect interview, which reduces sales resistance and increases sales.

The salesperson also gets a clear picture of the amount of rejection he will receive before the goals can be met. Instead of being frustrated by rejection, the salesperson develops the attitude that every no puts me closer to a yes.

Each day can be a successful day simply by meeting the activity-performance standard. This removes much of the cause of frustration, rejection, and the resulting turnover.

Finally, this system can be used for continuous career-development of the salesperson. Training becomes more effective because it is directed at specific and individual sales-skill weaknesses.

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