

SALES FORCE TRAINING: WHAT IS NEEDED VERSUS WHAT IS HAPPENING

By Al Pelham

The business-to-business environment has experienced significant recent changes which have altered selling firm's competitive requirements. These changes impact selling and sales management, but there is evidence that salespeople and sales managers have been slow to adapt to the new competitive realities. The purpose of this article is to provide a comparison of the key changes that need to be made in business-to business selling and sales training versus the current state of selling and sales management practices. The author argues for greater emphasis on listening, problem diagnosis, and problem solving in industrial sales training and argues for increasing efforts to measure the impact of sales training in order to justify the costs of that greater emphasis...

Introduction

Many organizations are realizing that changes will have to be made to sales force activities and sales management programs to respond to dramatic changes in the general and business-to-business selling environment. Among the general influences are globalization, shorter product life cycles, enhanced communication technology, and blurred competitive boundaries. With heightened competitive intensity and the reduction in product differentiation, sellers have to move outside the buyer's office to interact with more functions to develop better relationships and develop a deeper knowledge of their customers to seek other sources of differentiation and competitive advantage.

Among the business-to-business influences are trends toward greater seller responsibility for reducing buyer logistics costs, higher standards of quality control, greater mass-customization potential, and demands for sellers to be problem-solvers and not just pushers of standard problem solutions. Many buying firms, such as Motorola, Xerox, Ford, and General Motors, are involved in vendor reduction programs to achieve their logistics, quality control, and other value enhancing objectives. As a result, many buyers are influencing salespeople to move from transactional selling to relationship selling and

influencing relationships to move toward a partnership relationship, as opposed to an adversarial relationship. Figure 1 provides the results of studies indicating the influences of the environment on selling and sales management, and a conclusion by Cespedes (1995) that sales management practices tend to develop the sales force in the image of the previous generation.

Given these changes in the selling environment, sales managers should recognize that extensive product knowledge and selling on price is no longer enough to survive. They should recognize that their products, which they thought were sufficiently differentiated to provide a competitive edge, may be viewed by customers as commodities. They should recognize that extensive product knowledge is no longer sufficient to be considered competent by buyers. They should recognize that traditional sales training emphasis on feature-to-benefit translation skills, objection-handling skills, and closing skills are no longer enough to gain and keep customers who now require skills once only associated with experienced consultants.

Wilson (1993) argues that, given the changes in the selling environment, salespeople should emphasize the roles of market analyst and planner, selling team coordinator, customer service provider, information gatherer, sales

Figure 1: The Importance of Adapting Sales Programs to the Changing Environment

What is Necessary	What is Happening
<p>In most business-to-business firms there needs to be a significant re-orientation of sales management programs toward sales force consulting to cope with changes in the environment (Manning and Reece, 1992)</p> <p>Accelerated product life cycles, vendor reduction programs, supply chain requirements should involve salespeople in a consulting role. (Cespedes, 1995)</p> <p>As sources of product differentiation dry up, the relative value of a high quality sales force increases (Shapiro et al., 1998)</p> <p>Salespeople who actively learn new ways of doing things reap the benefits of their willingness to learn in a changing environment (Henderson, 1999)</p>	<p>Common sales management practices tend to develop the sales force in the image of the previous generation (Cespedes, 1995).</p>
<p>When Accenture asked executives to rate the value of corporate functions in terms of their worth to the overall company, sales received the highest rating (Calabro, 2005).</p> <p>Demanding customers and aggressive competition have left companies more reliant on sales productivity than ever (Calabro, 2005).</p>	<p>53 percent of those executives said their sales forces perform only as well as or worse than the competition's. The problem: inability to effectively manage sales opportunities (Calabro, 2005),</p> <p>Another study also found that sales forces are largely underperforming against company standards and goals (Calabro, 2005),</p>

forecaster, marketing cost analyzer. Anderson (1996) points out that the fundamental goal of salespeople in this environment is to develop long-term, mutually profitable partnerships with customers. In doing so, salespeople should especially build good internal relationships with the company's "support team", devote more attention to intelligence gathering, take responsibility for customer profitability and create added value. Marshall et al. (1999) compared the list of sales activities performed by salespeople in 1986 and in 1999. He finds that forty nine new sales force activities emerged that were not represented in the 1986 list of one hundred and twenty one. Such activities can be divided into five broad categories: communication, selling, relationships, team selling, and information gathering/database management.

The changes to the selling environment seem to underscore the need for industrial firms to

increase their market orientation. That orientation requires the selling firm to gather appropriate market information and transform that information into actions that provide superior value to the buying firm. Firms with high levels of market orientation have superior performance (Kohli and Jaworski, 1990). Pelham's (2000) study of industrial firms found that the customer satisfaction orientation dimension was the dominant dimension of market orientation, compared to customer understanding and competitor understanding. He concludes that the latter two dimensions of market orientation are necessary to enable the firm to pursue efforts to increase customer satisfaction. Sigauw et al (1994) found a positive influence on a firm's market orientation and salesperson customer orientation and Williams (1998) found a positive influence of salesperson customer orientation and positive customer relationships. Despite the necessity of industrial

firms to increase their extent of market orientation, a study by Avlontis and Gounaris (1997) indicated that only 24 percent of industrial firm were market oriented.

Some firms have responded to these changes by re-structuring the sales force from the traditional territorial design to organization by customer groups. Other firms have embraced the national account manager structure to seek to develop and maintain relationships with key customers. IBM and Procter and Gamble are two examples of large firms who have made these changes. These changes are expensive and many firms are not happy with the return on the investment. The disappointing return on investment might be due to a corresponding lack of changes in sales training, evaluation, or compensation programs.

There are indications that business-to-business sales management programs are not keeping pace with these environment influences. Figure 2 presents the results of studies indicating the critical importance of understanding customers,

compared to the results of studies indicating low salesperson understanding of customers.

Marketing managers are recognizing the key role of quality of service to existing customers as a driver of profit. PricewaterhouseCoopers measured the importance of post sales interaction servicing in an interview of 400 CEOs of fast-growing businesses. Their results indicated that quality of customer service was a far more important determinant of profitability and growth than product improvement, information technology, advertising, or new product development (Anonymous, December 2001).

Sales Management Programs: What is Needed

There is ample evidence of the critical importance of spending time and money to adequately and appropriately develop sales force skills. George Hartmann, V.P. of Sales for the Commercial Products Division of the Fort Howard Corporation was asked about the cause

Figure 2: The Importance of Understanding Customers

What is Necessary	What is Happening
The role of relationship manager requires a transition from selling to advising, from talking to listening, and from pushing to advising (Pettijohn et al, 1995)	Salespeople ask for what they need to know to obtain an order (Clancy and Shulman, 1994)
A sales force engaged in a relationship management/partnering role must have a higher level of customer knowledge than previously required in the traditional selling role (Weitz and Bradford, 1999)	Low accuracy of salesperson's perceptions of customers, (Sharma and Lambert, 1994).
Accuracy in identifying the buyer's performance rules is related to high sales performance (Dalrymple et al., 2004).	Salespeople's estimates of the customer's expected performance levels are inaccurate- average of 50% error.(Lambert et al.,1990)
Selling firms can gain a competitive advantage by knowing and understanding the needs of customer's customers (Smith and Owens, 1995)	More experienced salespeople tend to be less accurate in buyer performance expectations (Sharma and Lambert, 1994).
Inaccurate salesperson perceptions negatively impact performance (Lambert et al., 1990).	47 percent of salespeople admit to not having a clue about their customer's biggest concerns. (Cummings, 2002).

of the growth of his division from \$300 million in 1981 to \$1.5 billion in 1994. He replied: "If I had to point to one single resource that had the greatest impact it would be training (Keenan, 1995).

A survey by Sales and Marketing Management magazine and Equation Research (Anonymous., December 2003) led to the conclusion that there is "a critical need today to move a sales force away from its traditional focus on selling individual products and services and more toward selling complete solutions. Such a strategy can lead to a deeper engagement with customers. This strategy also calls for more emphasis on salespeople acting as consultants.

Baber (1997) defines a sales consultant "as both a consultative salesperson and a consultant. As a consultant, the salesperson's objective is to develop industry, customer, and/or technical knowledge, become an expert in some area of value to customers, and then look for and solve customer wants, needs, problems, and opportunities related to that knowledge and expertise" (p 162). He contrasts sales consultants with "pitch sellers" who start with their product or service and tell their story in a pushy way. He argues that it was never professional and no longer effective, especially for larger sales or long term sales. An example of a sales consultant was illustrated by Morgan (1992). He cites a nominee for Purchasing magazine's top sales representative award who saved his customer \$1.4 million over five years through various ideas, such as showing how changing from stainless steel to cast iron pipes and valves saved money, with no loss in quality and showing the customer methods to significantly reduce inventory.

There is evidence for increased emphasis in sales programs on skills commonly associated with consultants. Hugh Montgomery, President of HMS Design Inc., argues that "Good salespeople look to sell solutions rather than handle transactions...Eighty percent of our business is in ongoing relationships." He cites his experience selling to Danaher Corp., a

manufacturer of craftsman branded tools for Sears. He noticed a row of mismatched package and marketing materials in the tools section of a Sears store. He offered a solution and a design overhaul of the Sears tool department, but this caused Danaher to rethink their relationship with HMS and began soliciting bids from larger branding firms. He asked research firms to join in bidding for the business and won the deal.

Ralph Klein, of Landmark Ventures, in an article by Cummings (February 2004), suggests that: "What you want to become is a trusted advisor. Salespeople who truly want to sell more to a current client should focus on deeper relationships within a company, developing a network of contacts in positions above and below the salesperson's initial connection." To become a trusted advisor, many salespeople need to upgrade their knowledge of the customer, the customer's industry, and the customer's customer. They need to develop skills associated with consulting in order to diagnose hidden customer problems and be able to suggest appropriate solutions. An example of the positive impact of consultative skills training is Aramark's experience with this type of training (Strnad, 2004). Aramark, a food service supplier, exposed their sales force to consultative selling skills training from Richardson, Inc. a provider of consultative skills training. Those who participated in both the classroom training and on-line training sold an average of sixty percent more across product lines. The senior salespeople who participated in the on line component sold an additional forty percent.

These trends are especially pronounced in industries noted for complex/expensive products and services with high value-added potential where the purchase is of strategic value to the customer. But, even in the consumer products industry there are examples of successful firms shifting selling models. Procter and Gamble is a good example of a firm who moved from transactional selling to the relationship mode, utilizing the team approach

with key customers to solve inventory replenishment systems, resulting in improved customer turnover by 20 to 30 percent (Evans, 2004). According to a study for McKinsey (DeVincentis and Kotcher, 1995), the greatest opportunity for packaged goods sales forces lies in building capabilities in category and account management.

Another example of the benefits of consultative selling is cited by Cohen (2003). Mark Angelino, Senior Vice President of Sales and Service for Nextel, helped to add three million new customers and more than \$3 billion in new revenues. Angelino is changing the attitudes of the sales force by training them on how to solve their customer's problems, as opposed to trying to peddle phones. He changed sales training efforts to focus on consultative selling and building customer relationships. He shifted the sales compensation plan to reflect a need for long term revenue generation. He reorganized the sales force to allow a better knowledge of their customers in each industry. He states that "As we call on customers now, we can easily identify their pain points because we have an in depth knowledge of how companies like them operate. That's unique in our industry...We had to penetrate deeper into organizations and try to find out how we could solve problems for our customers"

John Beystehuer (2003), Senior Vice President of Sales and Marketing at UPS, stated that "early on, we decided that our entire sales function would emphasize a new 'solution-selling' model based on customer needs, not on our products and services. We needed to get our sales people comfortable asking business leaders 'what are your business objectives?' and not 'how many packages do you ship?'"

Tom Snyder, of Huthwaite, a sales force improvement firm, suggests that "salespeople need to probe for problems, needs, and opportunities that are top-of mind for the buyer. But don't jump right in with a solution, but ask questions that you know the answers to, trying

to expand in the mind of the buyer an awareness of how broad the problem is, Then ask about the benefits that they envision, which allows the client to help you tailor the solution" (Brenner, 2004).

Strout (2003) reports that IBM executives asked customers what it lacked. The answers were lack of expertise, namely depth of industry knowledge that customers needed. Now salespeople are trained to be industry experts and able to respond to needs more quickly and without consultation from above. They work in teams, organized by customer segments, and can offer IBM's entire portfolio of products and services.

There is a consistent theme of customer focus in the selection of the 25 best sales forces selected by Sales and Marketing Management (July 2000). Examples include: Baxter International Inc. who "excel at delighting their customers" with a customer-driven sales approach, Cisco whose market "stronghold comes from a corporate culture... that is obsessed with pleasing customers," "DHL Airways, whose "consultative approach is building sales in a hot industry," First Consulting Group who work to cultivate a long-term relationship, International Paper who succeed by creating long term partnerships with customers, Johnson controls, whose effectiveness is getting close to customers while selling commodity products, and Medtronic, whose success is driven by its highly trained, consultative sales force.

Key requirements for a long term relationship are creating value, meeting expectations, and building trust (Wilson, 1996). Buyers place greater trust in those whom they feel have good listening skills. A study by the Volper Group, reported in a story in Fortune magazine (November 11, 1996) concluded that the biggest difference between top performers and poor performers was listening skills. CEO's of selling firms are recognizing that the sales force needs to be more responsible for profit generation and not just revenue generation. But making the

transition from product to “solution sell” consultative selling is now the most frequent mentioned challenge (69%) faced by sales forces (Anonymous, 2002).

Baber (1997) quotes Rick Conrad, executive vice president/chief operations officer of Bell Atlantic Mobile, who led his sales force to increase sales by 300 percent: “Your prospects will tell you what you need to do to sell them in the first few minutes-if you’ll just shut up and listen. The fatal mistake is to assume you know what your customer wants.” He also quotes Dr. Carl Rogers, an expert on listening: “the biggest block to personal communications is one person’s inability to listen intelligently, understandably, and skillfully to another person.” Research results (see Figure 3) provide evidence of the critical importance of developing listening skills as a source of sales force and firm performance as opposed to the traditional emphasis on product knowledge and selling product benefits.

Sales Management: What is Happening

Procter and Gamble was cited above as an example of a consumer products firm who successfully moved from transactional selling to the relationship mode. Evidence was provided indicating that this transition is appropriate for this industry. But few packaged goods companies have taken the tough steps that are necessary to build these new skills (DeVincents and Kotcher, 1995).

Despite the evidence of the benefits of a sales force oriented toward building profitable relationships with customers and the benefits of listening, problem diagnosis, and problem solving skills, there is evidence that practice is not following these imperatives. In a recent survey by Sales and Marketing Management Magazine and Equation Research (Gilbert, April 2004) these were the self admitted mistakes made by sales managers: 1. Sixty five percent indicated that they focused on building volume rather than wooing profitable customers, 2. Sixty

Figure 3: The Importance of a Listening Component in Sales Training

What is Necessary	What is Happening
<p>There is a relatively small gap between the top and bottom groups in their use of the traditional competencies of selling skills and relating benefits to product features. The largest gap was between listening beyond product needs (Rosenbaum (2001).</p> <p>Sales training that improves listening skills leads to greater firm profitability (Ramsey and Sohli, 1997).</p> <p>Higher levels of listening skills lead to higher salesperson performance (Castleberry et al., 1999)</p> <p>The biggest difference between top sales performers and poor performers was listening skills (Volper Group, Fortune, November 11, 1996).</p> <p>Poor listening skills was ranked by sales managers as the top factor leading to salesperson failure , while inadequate product knowledge was ranked sixth(Ingram et al., 1992).</p> <p>There is “a critical need today to move a sales force away from its traditional focus on selling individual products and services ... (Anon., December 2003)</p>	<p>An average of 10 percent of industrial sales training is devoted to development of questioning/listening skills (Pelham, 2002).</p> <p>Forty percent of sales training is designed to increase product knowledge (Galea and Wiens, 2002).</p> <p>88.5% of surveyed firms provided product knowledge, but only 51.5% provided communication skills training (Galea and Wiens, 2002).</p>

three percent indicated that they neglected personal skills development, and 3. Fifty two percent indicated that they prioritized revenue over profit.

Despite the evidence, cited above, arguing for an increase in the emphasis on sales consulting skills, only twenty eight percent of executives say that their sales representatives are not adequately focused on solution selling and too focused on selling products (Anonymous, December 2003).

A re-orientation of salespeople away from transaction selling to consultative selling depends on appropriate investments in sales training for new and existing salespeople and appropriate content in that training. Figure 4 provides the results of studies indicating the critical importance of sales training and an appropriately trained sales force as determinants of firm performance, compared to actual sales management practices.

However, a survey by Peterson, reviewed by Training magazine (Anonymous, 1990) indicated the top five obstacles to introducing sales training programs. They are:

- 1) Top management is not dedicated to sales training,
- 2) Sales training programs are not adequately funded,
- 3) Salespeople are apathetic about sales training,
- 4) Salespeople resent training's intrusion on their time,
- 5) Salespeople resist changes suggested by training programs.

Figure 5 provides evidence of the need for a shift of emphasis on identifying customer needs, rather than focusing on product benefits, and the need for developing salespeople's customer

Figure 4: The Importance of Sales Training

What is Necessary	What is Happening
<p>The V.P. responsible for the 500% sales increase of a division of Fort Howard Corp. attributed the cause to sales training (Keenan, 1995)</p> <p>There is a positive relationship between sales training expenditures and share price (Hall, 2004)</p> <p>A toothbrush manufacture credits sales training for a \$30 million sales increase (Chang, 2003)</p>	<p>Sixty three percent of sales managers indicated that they neglected personal skills development and indicated that they prioritized revenue over profit. (Gilbert, April 2004).</p> <p>Only 47% of surveyed sales managers indicated that sales training was very valuable (Galea and Wiens, 2002).</p> <p>37% of surveyed industrial firms did not train their salespeople (Puri, 1991)</p> <p>In another survey by Learning International, 43% of industrial sales managers indicated that they did not train their salespeople (Anonymous, 1989)</p>
<p>The right sales training can produce significant increases in sales (Klein, 1997; Zoltners et al., 2001)</p> <p>A Dartnell survey indicated that the sales training for industrial products (\$9,893) and services (\$9060) is higher than the \$7079 average sales training cost (Anonymous, 1999a)</p>	<p>60% of firms do not formally evaluate the financial impact of sales training because of perceived difficulties and expense (Galea and Wiens, 2002)</p> <p>Problems faced when introducing sales training programs: top management is not dedicated. Not adequately funded, salespeople apathetic, salespeople resent intrusion on time, and sales people resist changes (Anonymous, 1990a)</p>

Figure 5: The Importance of Emphasis on Understanding the Customer and Customer's Industry in Sales Training

What is Necessary	What is Happening
<p>A study by Xerox of more than 500 sales calls revealed that successful sales calls contained three times more identified needs than failed call (Dalrymple et al., 2004).</p> <p>80 percent of the selling process focuses on discovering and matching customer needs (Brooksbank, 1995)</p> <p>There is a consistent theme of customer focus in the selection of the 25 best sales forces selected by Sales and Marketing Management (July 2000).</p>	<p>Sales managers placed far more importance on the sale training topics of company information, product information, and sales presentation skills as a means of improving performance, compared to customer relationship skills (Jantan et al., 2004).</p> <p>An IBM executives survey of customers indicated that salespeople lacked depth of industry knowledge that customers needed (Strout, 2003)</p>
<p>Successful salespeople focus on customer needs and less successful salespeople focus on product benefits (Dwyer et al., 2000)</p>	<p>35% of firms are making changes to sales training, but the most likely change was to focus on product training (Wotruba and Rochford, 1995).</p>

focus, compared to the actual emphasis of sales training. Puri (1993) quoted salesperson complaints about the questionable content of much industrial sales training, including exhausting memorization of product details, but no discussion of what the products will do for customers. He also quoted another salesperson that enjoyed the entertaining nature of a training session but wondered why management didn't invite customers to talk to the salespeople regarding what buyers want from a salesperson. Puri concludes that the two main reasons for ineffective sales training:

1. The lack of assessment of training needs
2. Ignoring buyer preferences regarding the salesperson's knowledge and skills.

Figure 6 also provides evidence for the scarcity of industrial firm market orientation, the brief life of strategic partnerships, and the scarcity of sales training time devoted to enhancing customer service and internal relationships to improve customer service, the lack of salesperson follow-through, and the high deterioration rate of a typical firm's customer base.

Only 24% of all industrial firms are market oriented, while 30 percent of firms exhibited ignorance of the market orientation concept (Avlontis and Gounaris, 1997)

If sales force programs, especially sales training, don't improve the ability of the sales force to listen, probe for customer problems, and provide incentives to improve value for customers there is also likely to be a lack of urgency in providing superior service after the sale. This would result in poor performance, given studies (see Figure 7) indicating the relationship between customer service, customer retention, and profitability. Despite the critical importance of post sales interaction servicing cited in the PricewaterhouseCoopers study cited above, J.D. Power and Associates research indicates that satisfaction with customer service continues to remains low.

Managerial Implications and Conclusion

Sales managers, like all human beings, are resistant to change and model their organization on the practices that seemed to work for them when they were in the field. Olson et al., (2001) argue that sales managers tend to adopt specific techniques or policies, that, when deemed effective, become part of their modus operandi.

Figure 6: The Importance of a Problem Diagnosis/Solving Component in Sales Training

What is Necessary	What is Happening
<p>Sales training needs to more strongly feature consultative or problem solving skills (Chonko et al, 1993)</p> <p>Salespeople responsible for implementing a partnering buyer-seller strategy must have high levels of analytical skills to understand productivity goals, identify problems and prove appropriate solutions (Napolitano, 1997)</p> <p>“Not only does a consultative approach afford a competitive advantage, but it also makes a more honorable seller ..but it requires a culture change and organizational commitment.”(CEO of Sales Performance International, quoted in Anonymous, 2002)</p> <p>“Finding problems and opportunities to solve is more important and more difficult than solving them (Levitt, 1983)</p> <p>Most sales managers surveyed cite frustration with sales force consultative and value selling (Anonymous, 2002).</p> <p>Consultative skills and relationship management skills are among the top skills needed by salespeople implementing a relationship marketing strategy (Golterman 2000)</p> <p>There is “a critical need today to ...move toward selling complete solutions. (Anon., December 2003)</p> <p>Aramark’ salespeople who participated in consultative selling skills training sold an average of sixty percent more across product lines (Strnad, 2004).</p> <p>The Senior V. P. of Sales and Service for Nextel trained the sales force to solve customer’s problems, as opposed to trying to peddle phones, resulting in three million new customers and more than \$3 billion in new revenues Cohen (2003).</p> <p>Purchasing managers consider salesperson problem solving abilities to be more important than sales presentation skills or industry knowledge, and almost as important as product knowledge (Puri, 1993)</p> <p>A key skill that differentiated top performing salespeople was extent of consultative problem solving (Rosenbaum (2001)</p> <p>Companies such as Motorola and Owens Corning teach salespeople how to provide solutions to customer problems to facilitate development of lasting customer relationships (Melone and Summy, 2002)</p>	<p>An average of 13 percent of industrial sales training is devoted to development of problem diagnosis/solving skills (Pelham, 2002)</p> <p>38% of industrial firms report that problem-solving abilities are sales training topics only some of the time, rarely, or never (Puri, 2001)</p> <p>28% of executives say their sales representatives are not adequately focused on solution selling and too focused on selling products (Anonymous, December 2003b)</p> <p>Industrial salespeople may not be equipped to deal with customer personnel like production engineers, quality assurance personnel, design engineers, and other technical staff in the buying organization (Puri, 2001)</p>

Figure 7: The Importance of Developing Account Management Skills Sales Training

What is Necessary	What is Happening
<p>Profitability requires greater account management skills, fundamentally different from current skills (McKinsey 1995 study)</p>	<p>Few companies have taken steps to build account management skills (McKinsey 1995 study)</p>
<p>Customer retention is a critical determinant of higher profitability because of the higher profitability of existing customer, compared to new customers (Clancy and Shulman, 1994)</p> <p>Manufacturers that set explicit targets for customer retention and make extraordinary efforts to exceed these goals are 60% more profitable than those without such goals or fail to track loyalty (Deloitte & Touche Survey, 2001)</p> <p>If a company can retain only 2 to 5 percent more customers, the effect on the bottom line is the same as cutting costs 10% (powers et al., 1992)</p> <p>It takes an average of seven calls to close a first sale but only three to close a subsequent sale ((O'Connell and Keenan, Jr., 1990)</p> <p>28% of business-to-business customers contribute a median 75% of sales volume (O'Connell and Keenan,1990)</p> <p>Satisfied long term customers are likely to buy more frequently, in greater volume, and purchase more goods and services, compared to new customers (Reicheld and Sasser, 1990)</p> <p>Deluxe corporation credits sales training with improving client retention rate from 85% to 95% in less than two years (Anonymous, 2003a)</p> <p>There is a link between relationship marketing, customer satisfaction, and customer retention strategies (Bryne et al, 1993)</p> <p>Sales managers say that customer service and relationships with other areas of the firm are essential for effective selling (Kerr and Burzynski, 1988)</p>	<p>Only 24% of all industrial firms are market oriented, while 30 percent of firms exhibited ignorance of the market orientation concept (Avlontis and Gounaris, 1997)</p> <p>55% of all strategic partnerships dissolve within 3-5 years, and the rest have a further life expectancy of only 3.5 years (Sperry, 1998)</p> <p>Only 1 % of sales training time is devoted to these customer service and developing internal relationships to improve that service (Kerr and Burzynski, 1988).</p> <p>An average company loses 20-30% of its customer base every year (Frankwick et al., 2001)</p> <p>Failure to follow through after the sale was the buyer's second biggest complaint about salespeople, while talking too much was the number one complaint (Anonymous, 1990b)</p> <p>Sales Managers do not consider establishing relationships among their company's senior management or other functional management and their customers' management as an important toll in selling their company (Puri (1993)</p> <p>37% of firms indicate that customer relations are sales training topics some of the time, rarely, or never (Puri (1993)</p>
<p>Quality of customer service is, by far, the more important determinant of profitability and growth (Anonymous, December 2001).</p> <p>The link between customer satisfaction and loyalty is clear (Anderson and Sullivan, 1993).</p> <p>There is a documented higher relative rate of return for companies such as 3M that have earned an enduring reputation for customer service (Phillips et al., 1990).</p> <p>Sales managers say that customer service and relationships with other areas of the firm are essential for effective selling (Kerr and Burzynski, 1988).</p> <p>A H.R. Chally survey of 15,000 buyers indicated that customer satisfaction is determined by factors that depend largely on the sales force (Anonymous, 1999b)</p> <p>Purchasing managers rate salesperson follow-through skills as the most desirable attribute (Puri, 2001)</p>	<p>J.D. Power and Associates research indicates that satisfaction with customer service remains low.</p> <p>In a Learning International study, the topic least desired by sales managers was teaching salespeople follow-through skills (Anonymous, 1989)</p>

So the driving emphasis of sales management policy is historical success rather than an analysis of evolving market conditions. This article presented evidence, from academic and non-academic publications, that this failure to adapt sales organizations to marketplace demands for a shift to a more consultative selling approach will result in increasingly ineffective sales forces. This failure to adapt sales management programs to the demands of today's marketplace is a significant component in the high failure rate of attempted strategic partnerships.

Across a wide variety of industries, buyers are becoming increasingly impatient with the old school model of the salesperson as a walking webpage, spouting features, benefits, and a price list, with no clue as to how to discover the unique needs and problems of their customers. Customers who are under pressure to reduce costs and improve quality are demanding skilled salespeople-consultants to diagnose and solve problems. If a firm cannot provide such salespeople, they will either be eliminated as suppliers or put into the "vendor" category, where their products are treated as commodities and price is the only issue. Given today's accelerated product life cycles and the increasingly difficulty of maintaining product differentiation, the sales force is one of the few areas left to develop a competitive advantage and avoid being lumped into the vendor category. Increasingly, success is being determined by the ability of firms to implement a relationship marketing strategy to increase customer retention.

The changes to the sales organization that are required to implement a more relationship oriented/consulting approach are not easy or obvious. If they were easy and obvious, more firms would have made those changes. But, as this article indicates, few firms have made those changes. These changes require training salespeople on difficult to acquire skills, such as listening, problem diagnosis, and problem solving. It is far easier to just train salespeople on selling techniques and discussing product

features. Since the need for these content areas are obvious, the need for sales training evaluation is not obvious. But, unless sales managers measure the productivity of sales training by evaluating outcomes, and not just trainee evaluations, there is little likelihood that senior managers will support requests for increases in time and money to train salespeople in consultative selling skills.

Sales managers need to increase their efforts to sell top management on the return on investment in consultative sales training. These efforts will require more discussion of what is appropriate in sales training content, more involvement of buyers to provide feedback on sales-force deficiencies, and more measurement of sales training outcomes. This measurement would include behavioral changes, customer retention rates, and customer feedback, in addition to the more traditional measures of sales results. If the results of these efforts are similar to the results cited in this article, sales managers and senior managers will see justifiable returns on increased investments in additional sales training content designed to enhance sales-force consulting skills.

Sales managers who pursue these efforts will also have to modify the remainder of their sales programs to reinforce such sales training. This will require modification of evaluation systems to measure customer satisfaction and extent of value enhancing efforts by the sales force. This will also require modification of the reward system to ensure adequate motivation of the sales-force to expend efforts on consulting with their customers, since the value of those efforts may not be apparent in the short term.

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