

How can I bring my company's sales performance from good to great?

A white paper specially developed for the SME Entrepreneur on how this can be done without rocket science and at an amazingly low cost.



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- ✓ **Carsten Knoop** – Germany

"Many of life's failures are people who did not realize how close they were to success when they gave up!"

Thomas A. Edison

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Before you start ... please clear your mind, be honest with yourself and stay with us for 13 pages. Then take a couple of days to let it "sink" in and think it over once more. If after that, it still makes sense to you and your company, you should do something about it!

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1. Introduction

1.1 For whom was this white paper written?

This white paper was written **for all Small or Medium-sized Enterprises** (SME) with between 25 and 500 employees or with the firm ambition to get there. Although it could be applied to many different businesses around the world, it is specifically destined for **enterprises that are active in the Business-to-Business area** with value-based products and/or services.

It is also for those SMEs that **are not entirely happy with their current sales performance** or for those who just wonder if they could do any better. It is also a good source of practice learning for any start-up that wants to have an idea of what will most probably lie ahead in a not so distant future.

Warning! *Some texts may be shocking to some readers!*

1.2 Nearly 200 years of domain expertise!

The author and the three contributors have **nearly 200 years of combined experience and expertise** in **direct handling and managing B2B sales teams** in various local, international and Fortune 500 companies around the world.

Most of us have been selling products and services **specifically developed for SMEs** and, as such, we have met thousands of them around the world. Unfortunately, we also have seen way too many of these entrepreneurs **doing the wrong things** or even the right things **but too little and too late**. As we were writing this white paper we sadly had to notice that many of them had gone out of business or were in the process of getting there.

A very sad story that is repeated, as we speak, over and over again!!!

1.3 Such a project is way too expensive! Or is it?

We said in the first paragraph above that this white paper was written for SMEs and we therefore **know that cost is of paramount importance**. There are many large consultancy organizations out there who can help corporate and enterprise companies in achieving better sales performance. In many cases however, the cost involved in such a major project is simply too high and too complex for any SME.

In our case, we obviously can't give fixed numbers, but on average such an SME project **will never cost more than an average 6-month payroll of a sales guy!**

Think about what it could mean **to increase your sales performance by 25%** in just a couple of years!

2. The naked reality of company life

Just a few facts that, year in year out, **cost billions of dollars** to companies around the world. Facts that are **lethal to most SMEs, however**, if not recognized and taken care of properly.

Over and over have we met SME owners or managers who were not aware of these facts, had only a faint idea of them or thought that they most **certainly did not apply to their own company!**

2.1 Some initial facts about companies

- ✓ Of every 100 start-up companies, **75 go bankrupt** in the course of the first 3 years and of the remaining 25, **only 1** at best **succeeds** in becoming a **successful medium-sized enterprise!**
- ✓ Of every 100 worldwide **"perfect ideas"** at start-up time, **99 are doomed to disappear** due to unexpectedly steep competition, a hostile takeover or more commonly, bad or non-existent foundations!
- ✓ For every 100 companies in any **vertical market niche**, only a maximum of 5 **can be found in the "LEADERS" area** of Gartner's Magic Quadrant! **The remaining 95 are struggling hard** every day to (at best) either "get there" or "hang on". In other words they "participate" in that market space but do not "influence" it (yet). For most of them it is much worse even than that ... **they slowly die without realising** it until it is too late.
- ✓ Our experience tells us that over 90% of our today's SMEs **do not have a proper detailed 5-year rolling business plan** with the strategic and tactical choices and decisions for their operations!

Scary, isn't it?

2.2 Some facts about people in companies

I recently read a short eBook by *Steve Satterwhite* (1) based on a large study in North America by the famous **GALLUP Organization** that really blew me away! Here's why: this study says ... that 63% of all employees are "not engaged" ... and ... **24% are "actively disengaged"** in the company they work for!!!

By "**Actively Disengaged**", they mean people who aren't just unhappy at work. They're busy acting out their unhappiness. **Every day**, these workers **undermine** what their engaged co-workers are trying to accomplish. These are the people that come to work every day actively **looking for ways to bring the organization down.**

That's **1 person out of every 4** and of the remaining 3, **2 don't really care** what happens with the company!!!

Very scary indeed!

Any chance that this may also be the case at yours? Maybe not, but it's certainly worth taking it into consideration.

2.3 Some facts about sales teams

- ✓ Our longstanding experience in handling sales professionals and teams indicates that **no more than 1 out of every 10 sales pros can be called "a (great) sales talent"**.

Of the 9 remaining, around half are "average", some **25%** are outright "bad" and only **25%** could be called "good". In other words only 3 out of every 10 salespeople out there **are of an acceptable level** to any company!

The reasons for "average" or "bad" sales performance are varied but the **lack of sound individual "entrepreneurship"** is very likely one of the most common.

- ✓ A couple of years ago the same **Gallup Organization** published a very interesting book by Marcus Buckingham & Curt Coffman (2) on the subject "**Why do people (Sales staff) leave organizations?**" and the conclusions were, to say the least, pretty impressive. The book was all about a survey on the topic conducted amongst more than 1,000,000 employees and 80,000 managers.

I have to admit, to my personal astonishment, that I did not expect the absolute number one reason to be ... **the Boss!** The study added that "**People leave managers not companies!**" and further down the line it read: "*The manager is the reason why people stay and thrive in an organization and the manager is also the reason why they leave!*"

The claim "*It's the salesman, stupid!*" is therefore not always borne out in practice. Hence, in many cases the claim "*It's the sales manager, stupid!*" **could be more appropriate** when things go wrong in sales teams.

- ✓ In B2B sales organizations such as the IT industry, **the attrition rate of sales professionals** can be as high as **30% per year** during economic upturns and in crisis situations it can still reach the 15% mark! Unless maybe you are Apple, Microsoft, Google or a few others.

That means **that every year** quite a substantial number of salespeople are leaving their company for various reasons, **most of them internal to the company** itself! The subsequent cost to any company is huge, can't be found in the books and can quickly **rise to 18 months of lost business** for every single sales person leaving!!! This is typically the average time needed for a **new replacement B2B sales pro** to be found, selected, introduced and brought up to an optimal level of performance ... that is, if the new guy is **within the top 30% of all salespeople in the world** ... and if everything else in the company is OK!

2.4 The dangers of "Growth"

- ✓ **"My company is growing too fast!"** Such a claim doesn't look like a real problem, does it?

*"It's probably just a temporary issue and is due to the success of our product or service offering. It will stabilize once we get it under control. In the meantime we call it "organized chaos" and we do what we can. Our customers don't take no for an answer and will understand!" ... **But do they and will they really???***

- ✓ **"My company is growing too slowly!"** A claim that we heard a couple of times every week over the past 42 years! It doesn't look like a real problem either, does it? "

It's our sales team that does not perform well enough. Our Sales Manager will put them on a tight daily monitoring system and we'll fire the underperformers". ...

But is it really that simple, or is something more "dramatic" going on in the company?

- ✓ **"I am very happy with the steady growth of my company!"** A claim that, unfortunately, we hear far too seldom! And even when we do hear it, the answer to the question whether it is **"organic growth"** is much less clear and often not answered!

GROWTH is a magic word that makes shareholders smile! *Growth* is what make some large companies pay accounting firms (very) large fees to help their executive committees with **creative "adaptations"** of the *numbers* in the PowerPoints they're about to present at the general meetings of shareholders. And we've seen **in 2008 with the banking crisis** where that can lead!

For SMEs, a growth problem will hardly set off a worldwide crisis, **but it will mean** at the end of the day **a slow** (or sometimes not so slow) **death**, if they can't turn it around quickly!!!

2.5 What some SMEs might still think they should do to improve sales

- ✓ Do **nothing** ... it'll get better next year!
- ✓ **Blame** the sales manager (and team)
- ✓ Buy some (if possible cheap) **advertising** space in vertical media
- ✓ Create a **website**
- ✓ Get a Facebook, Twitter and/or LinkedIn **account**
- ✓ **Talk** to their accountant(s)
- ✓ Quickly **get a (new) salesperson** on board
- ✓ Think about **a distribution channel**
- ✓ **Hope** ...

I may be drawing a bit of a caricature here but, believe it or not, in general that's what we have heard and often hear in the field today!!!

3. Lessons to be learned?

We feel that, by now, it'll probably be clear to most of our readers that problems arising from bad or low sales performance **can't be answered simply and quickly in a nutshell!**

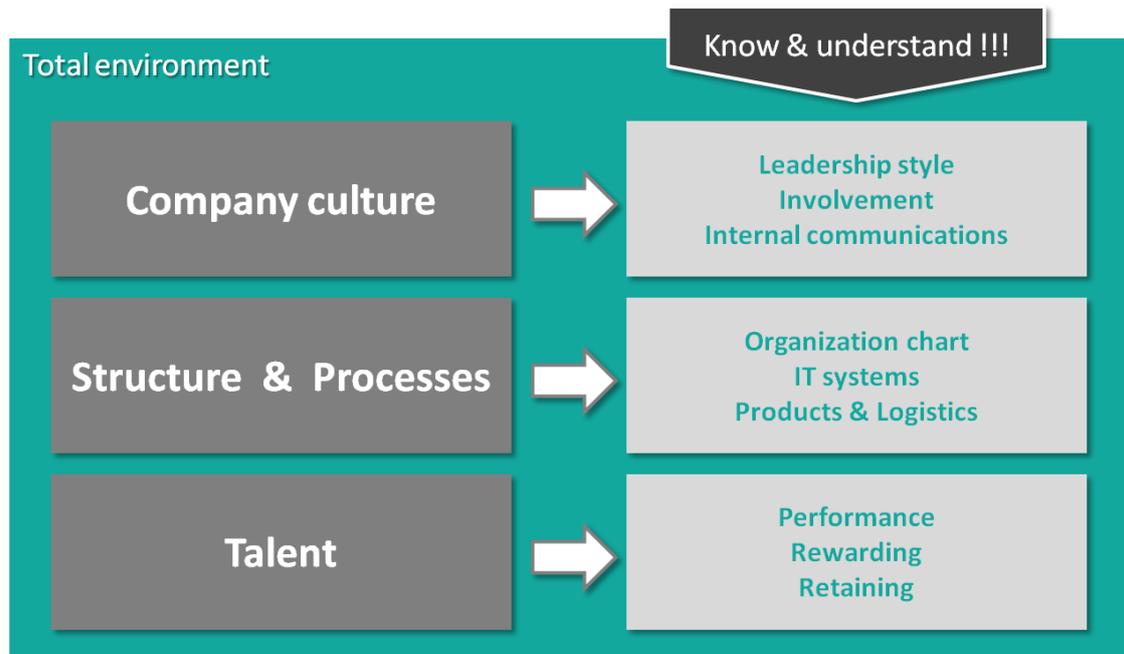
What **we can confirm with deadly accuracy**, however, is that the solutions can't be found in any of the points mentioned in part 2.5 above!!! It's a bit more complicated.

These kinds of problems are **ALWAYS** caused by a **set of different issues** in the company. They only arise when the **total environment surrounding the sales operation** is out of balance or even sometimes non-existent and are due, in many cases, to the **companies' unawareness** of how essential that environment is.

A sales team is made up of ... **PEOPLE!** And **salespeople** do have somewhat different **profiles** than people operating in other departments. That's why they're in sales and not in engineering, support or administration!

Unfortunately for many companies, salespeople **require** the total environment in which they'll have to work, to be supportive, motivating and thrilling **in order for them to over perform** every month and every year, over and over again, without feeling the uncontrollable urge to leave the company **for a better** "environment". Only then will that company be able to retain its "**performing**" **human capital** in sales and keep the books clear, as far as possible, of dramatic and unnecessary replacement costs.

Below is a schematic presentation (this time in a nutshell) of what we consider to be the "**total environment**".



4. So where could you I start?

4.1 Can an Entrepreneur assess his/her own company?

No matter what some people say about this issue, our claim is that most people **will probably not be able to do this** to the extent of **discovering the underlying reasons** for the ongoing problems AND subsequently defining and implementing the **solutions!**

It's really pretty normal because after a while, as the Entrepreneur ...

- ✓ you're too **biased** by your own thoughts, achievements and surrounding;
- ✓ you can't be a **specialist** in all areas which need to be considered and assessed;
- ✓ you might not have the complete "**helicopter view**" which is needed to discover the underlying reasons in your company;
- ✓ you probably **do not have the time** to take a couple months off to perform the assessment and implement the necessary changes;
- ✓ it's very difficult for you to think "**out of the box**" in order to find simple but practical solutions;
- ✓ it's likely that you **don't have the proper tools** to pull it off;
- ✓ Etc.;

The result is that often such an assessment is either not executed or not given enough importance and effort, which in turn **jeopardizes** the change management project that should follow, if any at all!

4.2 The out-of-the-box approach

Given the facts in part 4.1 above, we are convinced that any change management project oriented towards a substantial increase of a company's sales performance **should be carried out by a third party!**

Only people who are external to a company **will find the true reasons** why that company struggles with its sales performance and its (related) weak market situation. This "out-of-the-box" view is absolutely essential to pull off a decent "assessment" of the current situation.

Without such a professional assessment, the change management project will without any doubt be doomed to fail!

4.3 Speed is the biggest threat to quality!

"Quality is never an accident. It is always the result of intelligent effort." - John Ruskin

Hence, in any project where **speed** seems to be of paramount importance, **quality will soon disappear**, to be replaced by **assumptions**, and will therefore lead to major accidents! Speed impedes people in making an intelligent effort.

No change management project **should ever be based on assumptions**, because they very rarely are a **true reflection of the reality**! If assumptions are taken as the basis for a project, you can imagine what the results of such a project will be once the **"reality"** of daily life catches up with that company.

4.4 Specialists are the only viable solution!

I'm sure that by now you can agree with us that helping any SME around the world in defining **a change management project to substantially increase its sales performance** is a matter for specialists!

- ✓ People who **know** and understand SMEs!
- ✓ People who **know sales** and sales teams!
- ✓ People who **have been there** many times!
- ✓ People who **have seen lots of "accidents"** in their business life!
- ✓ People who know what will happen if **such an accident occurs**!
- ✓ People who **have the "out-of-the-box"-view** and are also willing to **tell you the bad news**!
- ✓ People who understand that **assumptions are not a solid basis** for decision!
- ✓ People who have the necessary **processes, tools and deliverables**;
- ✓ People who know **that follow-up** after implementation is vitally important!
- ✓ People who know that a **very reasonable cost** and a return on investment for any SME are **mandatory**!

5. The most important project of your life!

5.1 The Entrepreneur's total dedication is required!

In the past 42 years we have seen that SME owners or managers think that once they finally **sign a contract** for a project, **it's a done deal!!!**

Just as often, unfortunately, we have noticed that **the subsequent project failed!**

The **ONLY reason** for that failure was the **lack of true "management commitment"** (or support) from the **company board**, resulting automatically in a lack of commitment **from the very people** in that company who actually needed to pull it off.

Randomness, nonchalance, carelessness and negligence **start to kick in rapidly**, leading to bad project management, reporting, follow-up and control and finally to **failure, missed opportunities and loss of ROI!**

In this sad situation, which arises all too often, I'm afraid, **nobody can be blamed other than the company's No. 1!**

No change management project, no matter the type or size of the company, can be implemented **to full expectations** unless **it is fully and truly supported** by the company's No. 1 and his/her management team! This will ultimately determine how the personnel will handle it! Our claim that "This will be the most important project of your life" **is therefore not a vain statement at all!**

When the contract gets signed, **the work for the management just starts!!!**

5.2 A well-defined project process and deliverables

SMEs around the world **have become pretty sceptical about consultancy projects** and **so they should be!** In many cases they have indeed seen such projects start without really knowing when they would be finalized.

We do recognize, understand and wish very much to **help remedy this situation** and have therefore defined a clear process and a set of deliverables leading to much better qualified and quantified change management projects in this area.



✓ **The Assessment Workshop**

This is a **fixed 5-day “investigation” project** (assessment) of the company which will be **the basis for the detailed price proposal** and the **“blueprint”** for the later implementation project.

During the **first 3 days**, we will organize **in-depth interviews** with the owner/manager, the financial- and sales managers and various other people depending on the size and organization of the company. Although not fully detailed, these interviews will give us **an excellent helicopter view of the current situation** at the company.

The remaining 2 days will be used **to develop the detailed project** which will need to be implemented to **substantially increase that company’s sales performance**. During that period we will also prepare the detailed price proposal and its presentation to the company management board.

Remark: *The Entrepreneur will of course have the option, after the assessment workshop, to stop all further investment! The content and reporting of the workshop (the Blueprint) will nevertheless remain his property.*

✓ **The implementation phase**

A project to “substantially” increase a company’s sales performance will **always comprise a selection of services** that will have been defined by the earlier Assessment Workshop.

The services that might possibly be part of a project are:

- **Consultancy** time to define the full details of the current situation at the company;
- **Assessment tools** to evaluate the existing sales and marketing organization, if any;
- **Talent acquisition services** needed for the selection and evaluation of new sales professionals to enhance the sales operations, if any;
- **Training services** needed to bring the existing sales team up to the necessary level of performance, if any;
- **Coaching tools** and/or programs to support the sales team during the follow-up phase.

✓ **The Follow-up phase**

Any project meant to implement an extensive change management in any company will, by definition, **not be a walk in the park! People hate change** and might therefore do the opposite to what has been planned and expected, just so that **“the old way” can be sustained!**

In an earlier paragraph we have talked about the need for the owners’ total commitment to pull it off, right? We further strongly advise our Entrepreneurs **also to plan for some practical tools** that will help them to keep **the follow-up phase under control** and, by doing so, to **gently** force the organization to

adhere to, support and **defend the change management project** that was recently finalized.

5.3 The typical cost of a Q-GSP project

Again, this can be split into the same phases mentioned above.

Although it is obviously quite impossible for me to give a precise idea of the cost involved, **we can give you a fair indication** of what such a project would cost in all 3 phases based, as an example, on an average company size of 100-150 employees and a **10-person sales team** including management, field sales and internal sales.

1. The assessment workshop (fixed price)	7,500 EUR
2. The implementation phase (25 days)	23,750 EUR
3. The follow-up phase (coaching tools)	9,000 EUR

That's a total of 40,250 EUR or, as we said at the beginning, around 50% of the total yearly payroll (fixed + variable on target earnings or OTE's) for a sales professional in Western Europe. This may differ in certain countries based on local salary practices.

Please note that this amount does not take any talent acquisition costs into account because it is not possible to estimate these potential needs properly upfront!

5.4 So done in a couple of weeks, right?

I wish it was, **but it isn't!**

Arranging people's agendas, gathering internal feedback and information, setting up meetings and presentations and, more importantly, allowing for the necessary time for your organization to "digest" the whole change project **takes much longer than that.**

A typical process timeline for our example in 5.3 above **will take approximately 5/6 months just for phases 1 & 2**, and again this does not include time for talent acquisition services. On average you should expect to add at least 10 to 12 weeks if this should be needed as well.

The sequence of a full Q-GSP process:



6. What should you expect from such a project?

6.1 In the short term?

To be honest, **nothing at all!** Quite the contrary.

You should expect to **be confronted with some bad news** which will, no doubt, come out of our assessment workshop and interviews, pointing to issues in various parts of your organization. That's what "out-of-the-box" views are all about and that's where your absolute commitment will show its valour.

In the course of the implementation phase, we guarantee that you'll most probably **be confronted with turmoil and even from time to time with chaos!** This again goes with any change management project and is a common human thing. **People don't like change** and will need all the support and motivation they can get from the management, even if from time to time, that motivation may come **in some stronger "format"**.

6.2 In the medium to long term?

In a typical B2B company with value-based products & services, one can expect that a **full Q-GSP implementation** of all 3 phases, as explained in the above points (**including** a very strong **commitment** from the management board), will deliver **a genuine 25% increase in sales performance** within 3 years. Furthermore, if well maintained and supported by the board and provided no major market changes occur, there is no valid reason why there should later be a slowdown in the further growth path!

Expecting greater and faster growth is, for most companies, unfortunately **a daydream that won't come true!** Hence I will refrain from making such statements, although I have to admit that there are always those very rare exceptions in life.

7. Conclusions?

- ✓ Q-GSP is tailored **for SMEs** in the B2B area
- ✓ We have a combined **expertise** of nearly 200 years
- ✓ The **facts** about SMEs are staggering and scary
- ✓ Increasing sales performance **is not a walk in the park** and easy solutions are simply non-existent
- ✓ Sales teams **need to be surrounded** by a total environment which makes them perform consistently
- ✓ You can't do it all **by yourself**
- ✓ We have a **well-defined** and high-quality process, timeline and deliverables
- ✓ It's going to be the **most important project** of your life and should receive your total commitment
- ✓ On average **it won't cost you more** than a 6-month payroll of a sales professional (approx. 40,000 EUR)
- ✓ **Implementation** timeline won't exceed 6 months on average
- ✓ And ... you can choose to **stop** after each phase.

We won't write a big 250-page report on what "**you would like to read**" but rather a 10/15-page **blueprint based on the naked truth**, put the **rubber on the road**, **help you all the way to implement** the change and, if you wish, **assist you in the follow-up** and fine-tuning afterwards.

We therefore feel that **you have indeed nothing to lose in talking to us** about your company.

Thank you for reading.

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These are the hyperlinks to the quoted authors' eBooks:

(1) **Leading from above the line** – An eBook by **Steve Satterwhite** – [CLICK HERE](#)

(2) **First, break all the rules** – An eBook by **Marcus Buckingham & Curt Coffman** – [CLICK HERE](#)