



SALES: STRATEGIC PARTNERSHIP OR NECESSARY EVIL?

2007-2008 GLOBAL SALES PERCEPTIONS REPORT

BY BRADFORD THOMAS,
SIMON MITCHELL,
AND JEFF DEL ROSSA

DDI [®]
COMPETITIVE ADVANTAGE. REALIZED.

SALES: STRATEGIC PARTNERSHIP OR NECESSARY EVIL?

2007-2008 GLOBAL SALES PERCEPTIONS REPORT

BY BRADFORD THOMAS,
SIMON MITCHELL,
AND JEFF DEL ROSSA



UNWILLING TO LISTEN.

WON'T TAKE NO FOR AN ANSWER.

LACKING KNOWLEDGE ABOUT THEIR PRODUCTS.

PUSHY.

DECEPTIVE.

ONE-WAY STREET.

YOU WOULD CRINGE if this was how your customers described your company's sales representatives. Yet, despite all the time and money spent over the past few years to transform salespeople into trusted business advisors, descriptors such as these still reflect customer perceptions of those in the sales profession.

DDI surveyed 2,705 corporate buyers across six countries to understand how they feel about their interactions with salespeople. These buyers—the people who interact with salespeople almost daily—represented a wide range of industries, job levels, and age groups.

What we really wanted to know was how they viewed their buyer-seller relationships. We uncovered:

- > What qualities do buyers truly value in a salesperson?
- > Have their expectations of salespeople changed?
- > What value do salespeople provide to buying organizations?
- > Do customers really want a trusted business advisor, or just an order-taker?

This report looks at the overall view of the sales profession as seen through the eyes of buyers. We will assess the differences in perceptions across countries and provide advice on what you can do to ensure that your salespeople put the best foot forward with your customers.

WARNING: The results make for uncomfortable reading. Despite the best laid plans of sales organizations and sales leaders to shift to a more consultative, value-added relationship with buyers, the following can be concluded:

- > Buyers have a poor perception of salespeople.
- > Buyers have increasingly high expectations—and they are not being met.
- > Salespeople are not making inroads toward becoming business partners.

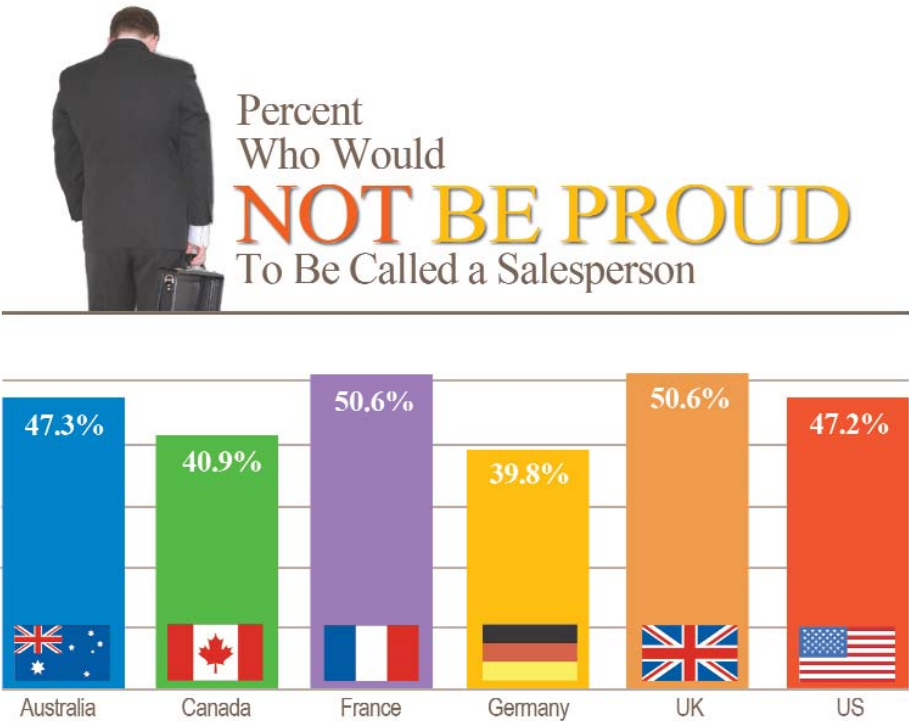
“A NECESSARY EVIL”

There are certain professions that invoke strong negative stereotypes—politicians as pickpockets, lawyers as sharks or ambulance chasers come to mind. Salespeople, meanwhile, are often stereotyped as “snake-oil peddlers” or “used-car salesmen.”

To see if the buyers embrace these negative perceptions of the sales profession, we asked them a simple question: “Would you be proud to call yourself a salesperson?” Forty-six percent of respondents told us “No.” As is shown in **Figure 1**, at least 39 percent of respondents in each country said they would not be proud to call themselves a salesperson. France and the U.K. were the most adamant, with more than half of the respondents saying “No,” while Germany and Canada were the least negative, with about 40 percent of respondents in each country saying “No.”

In order to understand why so many attach negative connotations to the sales profession, we took a closer look at the interactions respondents have with salespeople. When we asked buyers to describe their perceptions of the sales process, the most common description across all countries was that sales is “a necessary evil.”

FIGURE 1:



Some of the other descriptions evoke the high-pressure sales stereotype. One U.K. buyer stated that “they do not seem to tend to your needs, rather [to] the needs of their own pocket.” Another U.K. buyer put it more bluntly: “I usually feel conned and cheated afterward.”

The negative sales interactions have led to overall lukewarm views of the sales profession. **Figure 2** shows that a little more than half of buyers said their overall rating of the sales profession was “Good,” while 36 percent said “Fair.” Just 6 percent rated the sales profession “Excellent.”

Once again, buyers in the U.K. provided the lowest ratings, with 53 percent rating sales “Poor” or “Fair.” On the other end of the spectrum, 70 percent of German buyers rated sales “Good” or “Excellent.”

While the numbers here are generally positive, they are not stellar. Would you find it acceptable to have the majority of corporate buyers feel “so-so” about your salespeople? Around the world, salespeople and sales leaders should all be striving to improve the perception of the profession—not stopping until “Excellent” is the norm.

FIGURE 2:



TOP 10

Colorful Descriptions of Salespeople



1. Cut-throat

2. Charm school graduates with a head full of marketing promises



3. Irritating, like a rash you want to scratch but your doctor won't let you

4. Like sharks trolling the waters



5. Lower than pond scum

6. Leeches



7. Leg-humping dogs



8. They come, they lie, they beg, they steal, they go



9. A trail of bribery



10. Will promise their first-born to get the sale

“I WANT RESPECT, SUPPORT, AND INTELLIGENT ADVICE.”

This statement, from a U.S. buyer, spotlights how critical the support role is to building a trusting relationship. But do sales professionals provide the level of support buyers need? One third of our survey respondents said “No.” **Figure 3** shows, yet again, that there are regional differences. Almost 78 percent of German buyers are satisfied with the level of support they receive from salespeople, while just 63 percent of Australian buyers are satisfied. If 30 to 40 percent of your customers are not satisfied with the level of sales support provided, you are definitely opening the door for your competition to step in.

FIGURE 3:



A major factor working against salespeople in providing adequate support is the increased level of buyer expectations. Forty-one percent of respondents said that their expectations for sales expertise have increased over the past five years. Fifty-eight percent of buyers in France and 49 percent in Germany have increased expectations.

“Sales is building a lasting relationship between the salesperson and the client and I find that it has moved toward that over the past 10 to 15 years.”

—Canadian Buyer

Contrast this with the U.S., where only 28 percent of buyers have increased expectations over the past five years. Instead, more than half of U.S. buyers said that their expectations have remained steady. This is most likely due to a higher baseline of expectations created in the U.S. when the migration toward consultative or solution selling hit its stride over the last five to 10 years.

So what do buyers mean when they say they expect more from salespeople? Several themes emerged through respondents’ descriptions of the sales process.

The first theme is around truly understanding the client’s business. One U.S. buyer said, “I expect the salesperson to have done their homework before they call on me.” A U.K. buyer felt that the process was

“effective when the salesperson really understands what you actually need rather than selling whatever they happen to have.”

The second theme is around listening and providing sound advice.

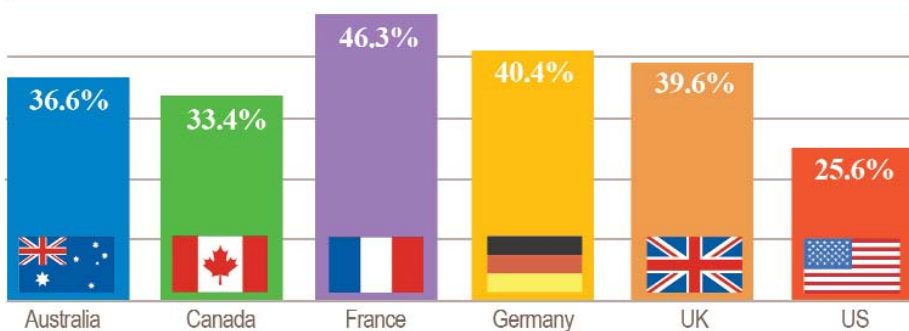
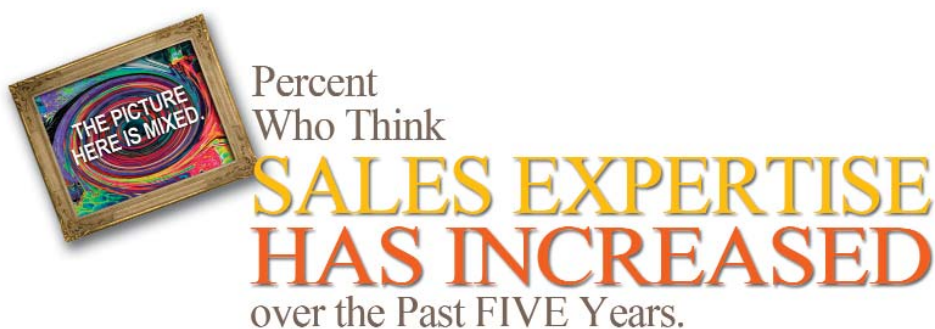
An Australian buyer felt that “a professional salesman listens and ensures that he has covered all the business needs addressing all key concerns.” A Canadian buyer said, “the client should never be pushed into making a decision without having good advice.”

The third theme is about creating a “win-win” situation. A U.K. buyer describes the need to “balance between what’s best for your company and for your customer.” A U.S. buyer said, “the sales process works well when all participants are prepared and neither side feels compelled to push the other into their way of thinking. Some compromise is required and a good sales team and customer team builds synergy by working with each other.”

SO, ARE SALESPEOPLE MEETING THESE INCREASED EXPECTATIONS?

The picture here is mixed. Just 37 percent of buyers thought that salespeople’s level of expertise has improved over the past five years. **Figure 4** shows that there are significant regional variations, with buyers in Europe and Australia seeing greater improvements than buyers in the U.S. Almost half of French buyers and about 40 percent of German and U.K. buyers think that sales expertise has increased. Contrast this with only 26 percent of U.S. buyers.

FIGURE 4:



On the opposite side, 19 percent of all respondents—and 25 percent of U.S. respondents—feel that sales expertise is getting worse.

Many respondents perceive that salespeople are lacking in the temperament, desire, and core sales skills they need. A U.K. buyer “finds [that] too many salespeople have poor communication skills and are not interested in building relationships.” A U.S. buyer points to “too many under-trained, underpaid young professionals who probably won’t be there in a year. I usually find there are too many unanswered questions. They have few resources for information and aren’t trained to know how or where to look for help.”

Fortunately, this is a problem that sales organizations can correct through a better understanding of what skills, experiences, and personal motivations are needed to drive the successful execution of their sales strategies. If you want to nurture strong, lasting customer relationships, you need to hire people who are good listeners and who are good problem-solvers. They need to be motivated to provide quality customer service instead of hit-and-run selling. The bottom line is that you must define what success looks like in your ideal salesperson and make sure you have the hiring, training, and performance management processes needed to find and develop people who fit that profile. As a German buyer declares, “I want a salesperson who has a focus on the market and takes into consideration the competition and pressure on my own deadlines.”

ARE SALESPEOPLE BUSINESS PARTNERS?

We all recognize that business is changing faster than ever. The main catalysts are increased global competition, business complexity, and advancements in technology.

“Once a rapport is built with a customer then anything can be sold.”

—U.K. Buyer

Sales organizations have had to adapt to keep their top clients and attract new ones. Adapting means a number of things, such as developing new solutions, formulating new sales strategies, or entering new markets. But most of all it means selling and providing real value to customers—moving away from transactional sales and towards becoming more consultative.

Becoming more consultative is at the heart of popular sales process programs, such as Neil Rackham’s

“SPIN Selling” and Miller Heiman’s “Strategic Selling.” They advocate uncovering and understanding customers’ business needs, elevating the discussion beyond features and benefits, and partnering with buyers to help solve problems central to the execution of their business strategy.

The advantage of adopting a more consultative approach with your customers is that it is effective across a wide spectrum of products, services, buyer types, and sales strategies. This approach intuitively makes sense for companies in industries, such as hi-tech or financial services, that need to establish trusted business advisor relationships in order to sell complex solutions. It also works at the other end of the spectrum in more product-focused industries (e.g., retail or copier sales). Several of DDI’s business-to-consumer clients in these industries have shifted to consultative selling to help buyers define their needs and narrow down the specific products that meet those needs. For example, asking communications buyers, “Do you make a lot of long-distance calls?” “Are you a heavy Internet user?” “What does your family watch on television?”

Many sales organizations have embraced the concept of becoming a trusted business advisor. Successfully implementing a business advisor strategy helps reach higher-level decision makers, which makes it possible to lock out competition and to facilitate more stable profitability over the long term. Besides, it is much cheaper to retain and expand existing client accounts than to try and find new ones.

So, has all the effort on training sales organizations to become business partners paid off? We asked buyers if they viewed their sales contacts as business partners. Overall, 54 percent of buyers said, “Yes.”

Figure 5 shows that French and German salespeople are doing the best, with 65 percent and 84 percent of respondents feeling that the salespeople they work with are business partners. The situation is less rosy in Australia, Canada, the U.S. and the U.K., where less than half of buyers feel that salespeople are business partners. In many areas, salespeople are not where their organizational strategy needs them to be.

So what is it that salespeople need to do in order to be seen as “business partners?” Clearly, it is different in every case, but salespeople certainly need to be able to demonstrate how they can help the buyer’s business.

FIGURE 5:



One U.S. buyer said that she “should be able to trust the salesperson to know my business and offer the best product for my needs.” Another was a bit more skeptical: “Salespeople generally don’t take the time to understand my concerns and they often offer inappropriate advice.” Comments like this one make it clear that salespeople are not always where their strategy needs them to be. What buyers want to see in salespeople can perhaps best be summed up by a respondent in France: “truth, sincerity, knowledge of product and me as a client.”

THE VALUE OF SALESPEOPLE IN THE PROCESS

Why do only about half of buyers view their sales contacts as business partners? We asked buyers to identify the top three qualities they value most in salespeople. **Table 1** shows the breakdown by country. Only 31 percent of buyers cited “Relationship Building” as a top quality, while fewer picked “Business Advice” (8 percent) and “ROI Analysis” (4 percent), which helps indicate business impact. Each of these three qualities is a critical component of business partnership.

At the top for each country was “Product or Service Advice,” with 67 percent of all respondents citing it as a top quality. Overall, “Market Knowledge” and “Trust” rank second and third, but there are clear geographical differences. German buyers placed a high value on “Delivery Expediting” (47 percent) and a low value on “Trust” (15 percent). U.K. buyers placed a strong emphasis on “Pricing.”

TABLE 1:

What Are the **TOP 3 QUALITIES** You Value the Most in a Salesperson?

	Global	Australia	Canada	France	Germany	UK	US
Product or Service Advice	67%	70%	64%	72%	76%	58%	59%
Market Knowledge	44%	42%	44%	36%	58%	41%	41%
Trust	43%	47%	57%	40%	15%	49%	51%
Pricing/Price Negotiation	41%	47%	44%	35%	29%	49%	45%
Relationship Building	31%	34%	34%	24%	30%	33%	32%
Delivery Expediting	30%	23%	22%	40%	47%	26%	24%
Customer & Supplier Interface	24%	21%	22%	20%	36%	24%	23%
Business Advice	8%	5%	6%	15%	7%	6%	7%
ROI Analysis	4%	1%	2%	13%	1%	1%	4%

With the many business ethics scandals in North America over the past few years, perhaps it is no surprise that “Trust” scored so high in the U.S. and Canada. To explore the area of trust in greater detail, we asked buyers if they believe salespeople have their best interests at heart. Twenty percent of buyers in the survey believe that salespeople “definitely” have their best interests at heart. An additional 64 percent of buyers believe that salespeople “somewhat” have their best interests at heart. Overall, these figures show that there is some hesitation about the degree of trust buyers feel towards salespeople.

From a regional perspective, German buyers were the most positive, with 37 percent saying “definitely.” Buyers in Australia and the U.K. were the least positive, with only 15 percent and 13 percent, respectively, saying “definitely.”

WHERE ARE THEY GETTING WHAT THEY NEED?

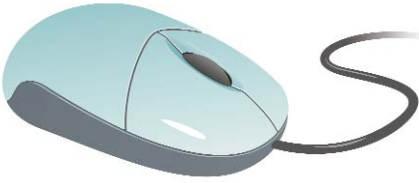
A sales force is an expensive—but valuable—medium for communicating with clients and potential customers. And, as in all other aspects of a business, there must be a return on the organization’s investment.

How do salespeople stack up to other methods buyers use to gain product and service advice? We asked buyers what two primary sources they use to find the information they need to make buying decisions. **Table 2** shows that respondents in all countries except for France clearly choose the Internet as the primary source of information. Salespeople came in second overall, at 45 percent. Among German respondents, salespeople ranked third, behind brochures and catalogs.

TABLE 2:



	Global	Australia	Canada	France	Germany	UK	US
Internet	64%	63%	60%	49%	69%	72%	65%
Sales people	45%	47%	52%	55%	36%	42%	43%
Brochures & Catalogs	40%	43%	33%	52%	46%	40%	34%
Colleagues	28%	27%	33%	20%	27%	21%	33%
Trade Shows	15%	14%	15%	13%	22%	13%	14%



The Internet even finished first for buyers at the executive level, where there is a need for more complex conversations and negotiations. We saw a recurring

theme around the use of the Internet during the sales process. Several buyers described how they use the Internet to gather information early on in the sales process to help them understand the key features and to narrow the choice of vendors. They then turned to that limited number of vendors for help in making the right buying decision.

One alarming trend for salespeople was a series of comments about the Internet allowing buyers to cut out the middleman. A U.K. buyer put it best: “I’d much rather buy over the Internet than from someone who tries to make you buy the most expensive product, plus a load of extras you don’t actually need.”

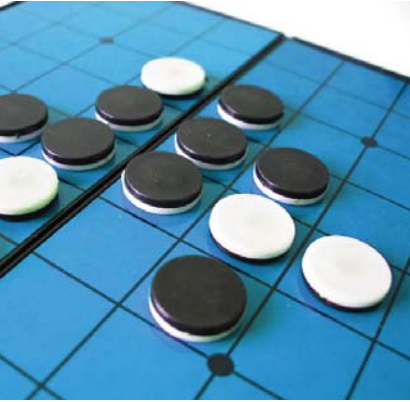
*“I’d much rather
buy over the
Internet than from
someone who
tries to make you buy
the most expensive
product, plus a load
of extras you don’t
actually need.”*

—A U.K. Buyer

Almost without exception, an organization’s web site and marketing brochures are much cheaper than its sales force; however, salespeople have the ability to do something that the Internet and catalogs can’t—have two-way conversations and build lasting relationships. Salespeople can use their skills and experience to listen to customer needs, provide expert advice, and, with the right focus, make a real impact on their customer’s business. But they must deliver real value to buyers if they are to justify their existence.

An Australian buyer best sums this up: “A good salesperson will assist you to make the right choice and make themselves available for any after-sales assistance you require. It’s a relationship that, if handled correctly, will create repeat business, creating a sense of accomplishment for both parties.”

www.com



LOYALTY: WHO GETS THE CUSTOMER DURING A DIVORCE?

The only downside of salespeople building good relationships with clients is what happens to those relationships if the seller leaves your company. This is a big issue: DDI and Monster's 2007 *Selection Forecast* study found that 65 percent of sales managers expect to lose at least one direct report over the next six months.

There is essentially a big Othello game going on out there, with companies flipping their top salespeople back and forth. But do salespeople flipping jobs mean that buyers will flip as well?

We asked buyers if they feel more loyalty to the salesperson or to the company they represent. Their response was mixed: 54 percent were more loyal to the company and 46 percent to the salesperson.

Companies spend a lot of time and money helping salespeople develop relationships with clients. It is a very big deal that almost half of those relationships are severed if a salesperson leaves. This makes it critical to protect your best salespeople.

Do you really know why your salespeople are leaving your organization? According to the *Selection Forecast*, the top three reasons why salespeople leave are:

- > **39 PERCENT—INSUFFICIENT COMPENSATION, BENEFITS, AND REWARDS**
- > **32 PERCENT—LACK OF GROWTH/DEVELOPMENT OPPORTUNITIES**
- > **27 PERCENT—DID NOT FEEL THEIR EFFORTS WERE APPRECIATED**

As sales managers, you need to probe and find out what truly matters to your top salespeople—and do your best to meet and to exceed their needs and expectations.



WHAT CAN YOUR ORGANIZATION DO TO TURN THE TIDE?

- 1. THE CUSTOMER IS (STILL) ALWAYS RIGHT.** On the first sales call, ask your prospect what kind of relationship he or she wants. Understand what they value in a salesperson. While many of your customers would like you to be a trusted business advisor, some will prefer for you to simply take their order.
- 2. PICK THE RIGHT PLAYER FOR THE PLAY.** Even the most gifted salesperson will not thrive in every selling situation—so play to their strengths when you hand out assignments. Take a lesson from the pharmaceutical industry where salespeople are increasingly assigned based upon the level of relationship the *physicians* want. Physicians who want to participate in clinical trials and have dialogues are paired with knowledgeable, seasoned representatives who are patient-focused. Others who only want copies of efficacy studies or their sample-bins filled are served by recent college graduates just learning their craft.
- 3. START WITH THE END IN MIND.** You probably have competency models that establish the skills, capabilities, and personal attributes your salespeople and sales leaders must possess to drive your sales strategy—the ability to penetrate new markets, expand share of wallet, or protect margins. But have you included traits that encompass your vision and values, and that describe *how your salespeople should interact with your clients*?
- 4. DIAGNOSE.** Before you hire a new rep, place an existing salesperson into a new sales role, or promote a salesperson to district sales manager, you need to understand whether they possess the competencies and traits required for *exceeding* the expectations of your clients.
- 5. HIRE, DEVELOP & MANAGE.** Make sure your HR processes align with how you want to do business with clients. If you want a strong service orientation, hire and promote people with it. Build your training around it. Hold salespeople and sales leaders accountable for executing it. Of course, be sure to reward them for it as well.
- 6. COACH YOUR SALES COACHES.** Effective sales leadership is critical to the success of your sales force. But statistics show that frontline salespeople get little coaching from their sales leaders. Make sure your frontline sales leaders are given the training they need to become exceptional coaches, role models, and mentors. It is important to reinforce the training with opportunities to practice the skills learned and to put in place effective means of tracking behaviors associated with successful coaching. Finally, help them understand how to spot talent and develop a sales team that embodies your vision and values.
- 7. DON'T BE AFRAID TO SEND SOMEONE PACKING.** Do you have salespeople who hit their numbers, but don't live up to the standards or values of your company? Are they consistently resisting changes to your sales strategy? You need everyone on your team enabling and supporting your sales strategy. If you have salespeople who are sidestepping your corporate policies, or undermining your reputation in the marketplace, you should take the necessary actions, even if it means termination.

ABOUT THE AUTHORS



BRADFORD THOMAS is a manager in DDI's Sales Talent Practice. Brad has more than 14 years of business development, consultative sales, and marketing experience, working with companies such as Phillip Morris, Pepsi, and Marconi. He is the co-author of four research studies on sales talent management and helped develop DDI and Monster's Selection Forecast 2006-2007. Brad has been quoted and published in *Velocity* and *Sales & Marketing Management* and has presented at the Frost & Sullivan Sales Executive MindExchange and the WorldCom Conference. Contact him at brad.thomas@ddiworld.com.



SIMON MITCHELL is a director at DDI UK and is responsible for leading DDI's European marketing activity. Before joining DDI in 2006, Simon led the international marketing activity for organizations including industrial and business services provider Group Pickerings, asset management organization Microlease plc, and health care and medical device maker Group Whatman plc. At Pickerings he led group-wide marketing and was jointly responsible for sales strategy and development. Simon's experience includes: the design and delivery of executive assessment, development interventions, and selection processes; high-potential identification and development; success profiling and competency analysis; and general leadership development and succession planning. He was co-author of DDI's recent transitions study "Stepping Up—Not Off." Contact him at simon.mitchell@ddiworld.com.



JEFF DEL ROSSA is the Worldwide Director of DDI's Sales Talent Practice. Jeff has over 25 years of experience in sales and sales leadership. He has assisted many Fortune 500 companies in boosting sales performance. Prior to joining DDI, Jeff worked with Kodak and Océ-USA. At Kodak, his leadership of District and National Accounts earned him their highest sales honors working with several large clients such as UPS, Home Depot, Allied Signal, McDonald's, and many others. Jeff has presented at the Frost & Sullivan Sales Executive MindExchange. Contact him at jeff.delrossa@ddiworld.com.

WHY DDI SHOULD BE YOUR SALES TALENT PARTNER

For more than 37 years, DDI has helped hundreds of clients build high-performing sales forces. Our proven expertise helps you identify and select successful sales professionals and executives, transform your good sales performers into great ones, and groom those with high potential to become your next generation of sales leaders.

Our areas of expertise include:

- > Defining your sales DNA—the skills, abilities, and personal motivations required for high performance on the job.
- > Tailored selection and assessment systems designed to help you make better hiring, promotion, and development decisions.
- > A wide range of courses, activities, and programs to produce more effective sales leaders.

DDI gives you the means to put the right sales reps, managers, and executives in place: sales professionals who will execute your sales strategy, and deliver the numbers; and sales leaders who will create an organization with a sustainable competitive advantage.

THE AMERICAS

WORLD
HEADQUARTERS
PITTSBURGH
412.257.0600

MEXICO CITY
52.55.1253.9000

TORONTO
416.601.5500

Other offices include
Atlanta, Calgary,
Chicago, Dallas, Detroit,
Monterrey, Montreal,
New York, St. Louis,
San Francisco, Santiago,
and São Paulo

EUROPE/AFRICA

DÜSSELDORF
49.2159.91680

LONDON
44.1753.616000

PARIS
33.1.41.96.86.86

Other offices include
Johannesburg,
St. Petersburg,
and Warsaw

ASIA-PACIFIC

SHANGHAI
86.21.6113.2525

SINGAPORE
65.6226.5335

SYDNEY
612.9466.0300

Other offices include
Auckland, Bangkok,
Beijing, Brisbane,
Hong Kong, Jakarta,
Kuala Lumpur, Manila,
Melbourne, Mumbai,
Perth, Seoul, Taipei,
and Tokyo

ABOUT DDI. It's a grow-or-die marketplace.

And having the right talent strategy is crucial.

Development Dimensions International will help you systematically and creatively close the gap between today's talent capability and the people you will need to successfully execute tomorrow's business strategy.

We excel in two areas:

- :: Designing and implementing selection systems that enable you to hire better people faster.
- :: Identifying and developing exceptional leadership talent critical to creating a high-performance workforce.

DDI is all about giving you the kind of business impact you want over the long term—that's what we call realization. The work we do together is tied to your organization's strategies and becomes part of your business and your culture.

And if your business is multinational, DDI has precisely the kind of global resources needed to implement your talent initiatives effectively and consistently worldwide.

Take a closer look at www.ddiworld.com

TO LEARN MORE:

EMAIL: INFO@DDIWORLD.COM

WWW.DDIWORLD.COM



MKTSEMIS90-1207-500



© Development Dimensions International, Inc., MMVII. All rights reserved.