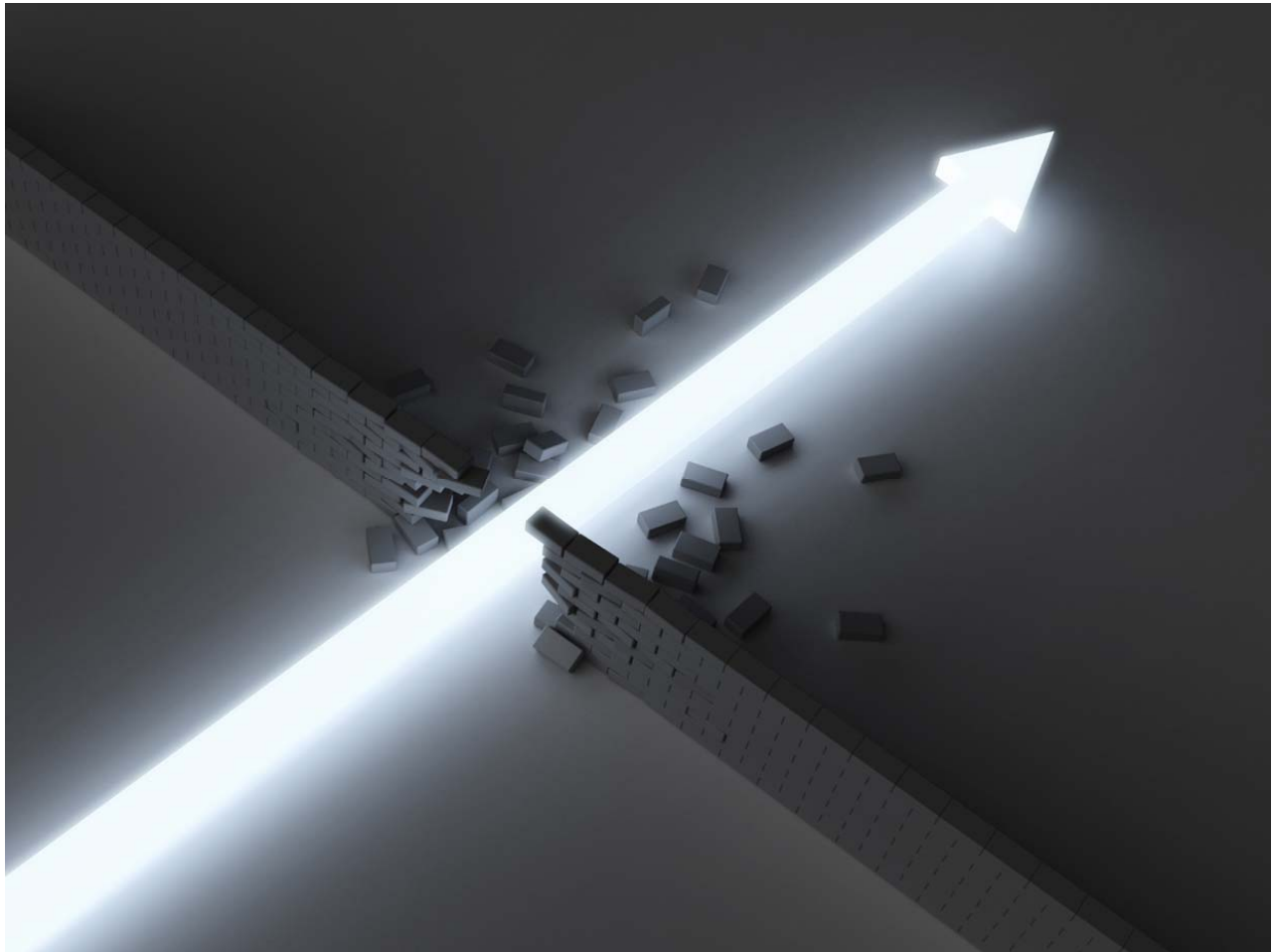


The quickest, proven route to increased sales performance



Briefing for company directors on research into developing true sales management potential

31% receive no sales management training

83% are best salesman made manager

30% of Sales Managers have had psychometric based development but not specific sales management skills development

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Introduction



There is something fundamentally wrong with sales performance in the UK.

With just one in five sales meetings ever getting closed, plus the prospect of a depressed economy on the horizon, there is a strong imperative for company directors to re-visit their whole sales process.

Silent Edge has conducted a number of research projects, some in conjunction with Cranfield School of Management, to examine what differentiates the winners from the also-rans. Perhaps the biggest single message to come from our research has been a chronic under-funding in the area of effective sales training (see our White Paper *Crossing the Skills Gap*). Our most recent study, this month, has revealed significant problems in the selection and development of Sales Managers - compounding the problem even further.

In this Briefing Report, we explore the key weaknesses associated with UK sales people. In particular, we publish an overview of our October 2007 survey of Sales Managers. 31% claim *they have had no sales management training*, (I believe the true figure across the UK is even higher). The remaining 69%, who have received some form of training, reported a very diverse mixture ranging from psychometrics to team building and personal development, as opposed to *specific sales management skills* development.

We also spell out a route for significantly improving their selection and development. All of which can quickly be converted into a positive injection to the bottom line through improved sales performance and better quality sales deals.

Along the way, we look at the smoke-and-mirrors role of psychometrics and we expose the dangers of subjectivity in the sales management function. Finally, we examine a proven strategy for getting back into the driving seat.

I do hope you will find it useful

A handwritten signature in blue ink that reads "Russell Ward". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Russell Ward,
Sales Director, Silent Edge

PS. In the light of these findings, I strongly urge you to invest a little time with one of my consultants. In less than an hour, they will be able to help you assess the best route to improving your own company's sales performance and sales management performance.

The Worm in the Apple of UK Business

It becomes clear why only one in five deals ever gets closed in the UK



Almost every professionally run sales team will have in place some degree of process measurement - everything from the effectiveness of lead generation to yield to pipeline management.

Measuring effectiveness

Ironically, few companies get beyond measurement of revenue and activity, such as KPIs, to measure the *effectiveness* of sales performance achieved by the sales team and its management.

Recent benchmark research of 1000 salespeople over a two year period revealed that UK sales people exhibited strong 'soft skills' in the following areas:

UK salespeople exhibit strong soft sales skills

Personal presentation	96%
Rapport with prospect	94%
Presenting company offerings	83%
Product/Service knowledge	86%

However sales people exhibited weak core skills needed to *complete* the sale, such as those below:

UK salespeople exhibited weak core skills needed to *complete* the sale

Closing skills	46%
Differentiation from the competition	31%
Objection-handling capability	30%
Negotiation skills	16%
Articulating the Value Proposition	15%

These findings were underscored in a joint **Cranfield School of Management / Silent Edge** study (2006) quoted in our previous Paper "*Crossing the Sales Skills Gap*".

Only 12% of all salespeople in the UK have all of the necessary skills to be able to fulfil their job

Cranfield School of Management /
Silent Edge survey 2006

In this study, 600 UK business-to-business salespeople were objectively benchmarked across a range of industry sectors and the findings demonstrated that only 12% of all salespeople in the UK have all of the necessary skills to be able to fulfil their job. This compares unfavourably with the 89% of UK IT staff (according to e-Skills) that do have the skills to do their job adequately. You can see the scale of the challenge that we face in the sales arena. A summary of the Cranfield / Silent Edge study is included in the appendix.

“Many field sales people demonstrated a lack of preparation for the sales meeting and a failure to listen in the meeting. Salespeople need to raise their awareness of these and other key sales techniques if they are going to improve their performance”

Lynette Ryals Professor of Strategic Sales and Account Management
Cranfield University

83% had been selected because of their sales skills rather than potential management skills

How sales management selection compounds the problem

The 'sales industry' sets itself up for failure through chronic under investment in training. The answer clearly lies in a more focused and more effective form of sales skills assessment, training, coaching and personal development.

But there is also a compounding factor; the *"let's promote our best salesman to Sales Manager"* syndrome. Our 2007 survey of UK Sales Managers revealed that 83% had been selected because of their sales skills rather than potential management skills. We believe that this is the biggest single issue facing UK sales organisations. In the next section of this report, we explore the 'Sales Management Hidden Pitfalls'.

The Sales Management Hidden Pitfalls



The "*let's promote our best salesman to Sales Manager*" syndrome

Too often, when sales people are promoted from their peer group, they become either too zealous or too timid, unable to deal with conflict - both states de-motivating for their team

IBM was one of the first organisations to recognise the trap inherent in the tradition of promoting star salespeople into the role of Sales Manager. Some years ago they realised that effective sales management requires *management* skill-sets that may not necessarily be the forté of even top performing sales people. In fact, many top performers, though competitive, are not terribly good team players - for many, part of the motivation for a career in selling is the ability to enjoy 'top dog' recognition.

Sales Managers, on the other hand, have to be team animals. When assisting in a difficult sales situation, they need to make it a positive learning process for their staff, rather than a macho display of their own capabilities. Often, when sales people are promoted from their peer group, they become either too zealous or too timid, unable to deal with conflict - both states de-motivating for their team.

That is why IBM started the trend of throwing out the whole culture of career progression automatically being through 'management' roles. Their *Salesman / Senior Salesman / Consultant Salesman* career path allowed those with consummate sales skills (but perhaps too much of the Prima Donna) to grow within the company without pressure to become something they were not. That way, they retained strong sales professionals who could enjoy developing their contribution for many years, whilst happily working for others with a different (management) skill set.

Conflict of interest; sales vs. management

76% of UK Sales Managers have an individual sales target - only 21% have a team target

Our research has also identified conflicts of interest - areas of responsibility that on the surface have some synergy with the sales management role but which, in practice, have a negative impact.

The first is combining sales and marketing responsibilities within the Sales Manager's job description. To be effective, marketing has to take long term perspectives, not necessarily related to '*where are we now?*'; more '*where do we aim to be and how will we get there?*'.

Not only are the time horizons conflicting, the necessary personal strengths required are not often found in the same individual. The danger is that Managers gravitate to - and devote most of their time and resources to the role they enjoy most, either sales or marketing.

The second common conflict is that of Sales Managers carrying a sales territory target of their own. It takes only a moment's objective reflection to recognise the dangers:

They are under pressure to *hit their target* for a number of reasons:

- Their own personal finances and remuneration plan.
- Carrying a personal sales target reduces them to a peer within their team, resulting in their having to be demonstrably 'the best performer' in order to justify the leadership role.

The target becomes a distraction from field mentoring and coaching:

- The 'winner' ego of sales people means they are always going to concentrate on outperforming their peers.

Most Sales Managers do not have sufficient time to properly manage their teams in addition to the reporting of sales, pipeline performance, effectiveness of marketing support & collateral, while carrying a personal sales target.

The conflicts on time, resources and skills results into one of two fall-back behaviours:

- Short tempered, autocratic, directive, impatient, stressed
- Little involvement with the team, leaving them to get on with things in their own way

The psychometrics smoke.....

So what in practice do they get? Does any training work?

Sure, you say - that's what psychometrics is all about. Well, yes psychometrics do have their place.

Psychometric testing, using methodologies such as FIRO B, Myers Briggs Part Two, SDI and so on can provide a useful insight in the early stages of selecting appropriate candidates for the role of Sales Manager. Psychometrics helps Sales Managers to better understand the dynamics of their team; how they work together. It is focused on behaviour, *but not upon skills*.

Unfortunately, there is a real danger of companies using a very useful tool as a lazy man's cure-all and, in some bizarre cases, become the underlying feature of sales management training; omitting the basic essentials of the day-to-day requirements of the job. There are surprisingly few 'best practice' courses around that show a Sales Manager how to perform their role. The thinking seems to be "well, they have the aptitude, so let them get on with it."

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In October 2007, Silent Edge commissioned an independent research company Makrotest Limited, to conduct a survey of UK Sales Managers. In summary, they found:



31% have received no sales management training

Of the 69% who have had some form of training, 30% had only psychometric-based development and the rest either couldn't remember, indicating lack of impact, or else reported a very diverse range of courses attended, ranging from team building to personal development as opposed to specific sales management skills development.

83% stated that the reason they were appointed to the role of Sales Manager was because of their performance as a salesperson. Only 11% said it was because they were good people managers.

76% of Sales Managers carry an individual target. Only 21% have a team target.

69% said recruiting the right people was the biggest challenge Sales Managers faced.

... and the subjective mirrors

Sales Managers are often asked by HR for their assessment of the training needs of the department, without any recourse to objective evaluation.

Subjectivity also has a role in the 'smoke and mirrors' department, with a ripple down effect on the sales team. For example, Sales Managers are often asked by HR for their assessment of the training needs of the department, without any recourse to objective evaluation.

At a more sophisticated level, they may be asked to assess their team's skills using a competency framework. This could be a list of 10-20 different competencies or behaviours, against which they are expected to provide subjective scores on, say, a 0-5 point scale.

Such an approach is significantly flawed because:

- Sales Managers have their personal likes and dislikes amongst their team members, so opinion becomes biased.
- There is no definitive understanding of what constitutes, say, 3 out of 5 or 4 out of 5 on such scoring systems.
- In a 360 situation, sales staff 'likes and dislikes' of their Sales Manager creates significant statistical noise and conflict.
- In such circumstances, a subjective view can never match the value of an objective assessment.

There are a number of factors that have to be considered.

- Does the Manager understand the needs and demands of the roles they are managing?
- Do they recognise the best-practice skills associated with the role that they manage? Coaching skills are pointless in the absence of the ability to recognise operational weaknesses or knowledge of best practice - bad practice simply cascades down the team to become common practice.
- Knowledge of where and when to focus coaching. For example, we have experience of being inappropriately asked by clients to improve closing skills, when the real weakness is earlier on in the sales cycle - listening and probing skills.

With an objective evaluation, the Sales Manager not only gets a very rich source of relevant data on which to base coaching, but also gains a better appreciation of best practice - including best practice coaching skills.

The results were astonishing. Subjective scores ranged from 16% competency to 65% for the same presentation, more than a fourfold difference, demonstrating the unreliable nature of subjective assessment.

Subjectivity vs. Objective assessment; recent research

Silent Edge has conducted a wealth of research into the roles of subjectivity and objectivity in skills assessment. The most recent, carried out in September 2006 involved 61 sales trainers (who were also required to score sales people for FSA compliance), from one of the largest insurance companies in the UK.

Managers were asked, individually, to observe a 15 minute video of a company sales person making a new business presentation, assessing effectiveness of the presentation by traditional subjective evaluation.

The results were astonishing. Scores ranged from 16% competency to 65% for *the same presentation*; more than a fourfold difference, demonstrating the unreliable nature of subjective assessment.

Using Silent Edge's patent pending *objective* methodology, scores for the same video ranged tightly from 31% to 32% competency; a remarkable degree of consistency.

We can conclude that when training is based on subjective evaluation of needs:

- The learning and development programme may be badly misdirected.
- Staff get unnecessary training, at the expense of valuable skills training that *is* required...
-resulting in cynicism on the part of the sales force.
- There is no baseline against which to measure subsequent improvement.
- Subjective re-evaluation perpetuates the problems.
- Training budget is squandered, with little or no return on investment.
- Revenues do not increase and time is wasted off the road.

Getting Into the Driving Seat



So, what does make a great Sales Manager?

Examples of the different dynamics Sales Managers have to deal with, and be good at, include:

Being able to communicate, coach, motivate and lead each team member on a one-to-one basis

Being able to manage a team as a whole in a sales meeting or other group environment. The issue here is whether they are getting overpowered by the group or becoming dominant. The key is how they motivate and manage/communicate information

Reporting up-line to their own manager. It is as important to be able to manage their own manager as it is their staff

Managing their forecasts and targets. Accurate reporting, not just on numbers but many other important elements, is essential in the sales management role

- Corporate context and strategy
- Integrating with other functions within their organisation
- Setting up the sales force
- Self evaluation
- Understanding the roles they manage
- Coaching for performance improvement
- Process management

To be in the driving seat, it is essential to have some means of assessing such areas objectively - not to mention analysing the results in a highly visual, unambiguous way. Which brings us neatly to....

The Silent Edge approach

Only 54% of UK Sales Managers believe that the Sales Management training they have received was effective.

100% of Sales Managers that have participated in Silent Edge Sales Management Training & Development have reported significant benefits.

Silent Edge has developed a unique set of evaluation, training and personal development techniques, for salespeople and for Sales Managers that address all the issues outlined in this paper. The key is *objective evaluation* of each sales person/Manager against every element of their personal role.

Assessment takes place during live sales and sales management related activities. Using an electronic scorecard, performance is evaluated against as many as 170 benchmarked observations (600 in recent cases), covering behaviour, business practice and competency. The observations are weighted to allow for the priorities of the business, and the result is a detailed analysis of each person's abilities and areas for development. The data is further simplified by presenting key competencies in a 'dashboard' format, looking like this:



Skills gaps identified during the evaluation process lead to a bespoke development programme for each individual. The scorecard sessions are followed by confidential interviews, in which the sales person or Sales Manager talks about their company, its management and any barriers that might be impeding the success of the sales force. The objective is to gain agreement on the areas for improvement, together with a mutually agreed learning programme.

By making sales management development central to all programmes, we improve the capability of the Manager, which in turn leverages the results of the whole team and change is sustained

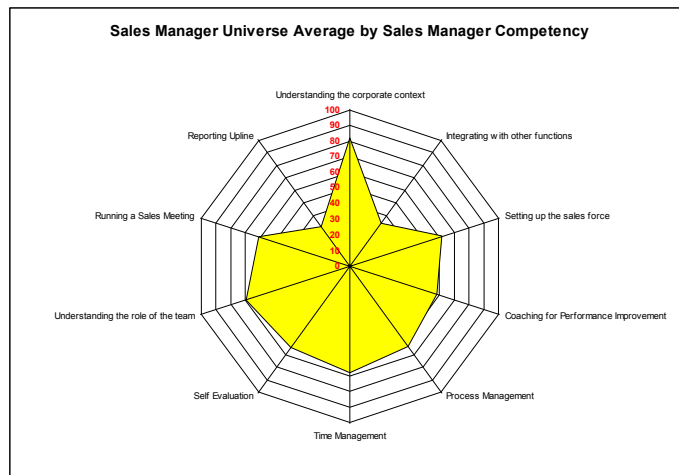
Personal development plans are delivered in small workshops, where a modular approach allows concentration on competencies directly relevant to the group/individual - so much more effective than the 'sheep dip' approach.

By making sales management development central to all programmes, we improve the capability of the Manager, which in turn leverages the results of the whole team - and change is sustained.

Each Sales Manager participates in interactive workshops that combine input sessions, group discussions, practical exercises and role play. They cover all critical elements of sales management to ensure a high level understanding of best practice, while enhancing the delegate's management approach and skills.

Importantly, they learn best practice skills for the role they manage - whether new business, account management or telesales, enabling them to coach their teams to improved performance and success.

A Sample Spider Diagram



© Silent Edge Limited

Does it work?

We leave it to our customers to answer this question:

3663 First for Foodservice

"I truly believe there is no-one else in the Marketplace capable of delivering sales training and development like Silent Edge. Our growth rates currently stand at 10% compared with the rest of the marketplace, at only 2%. We can attribute this growth to the work undertaken by Silent Edge".

Andy Kemp - Group Sales Director – 3663

Complete Cruise Solution

"Silent Edge offered us exactly the solution we were looking for and we are so convinced by the results and behaviour change experienced at a senior level, we are accrediting the Senior Managers within our sales organisation. I envisage that Silent Edge will be an integral part of our sales development process for years to come. The people we have come into contact with at Silent Edge have been, without fail, highly professional, easy to work with and contagious in their enthusiasm for what they can deliver to help us within our quest for excellence".

Giles Hawke – Sales Director - Complete Cruise Solution

Cable and Wireless

"Silent Edge transformed my salesforce, taking them from £750k a month to £4m a month in six months ... In six weeks we achieved what could normally take four months. The precision of the evaluation data enabled us to make immediate decisions on the development plan for each of our salespeople".

Mike Siddon - Regional MD - Cable and Wireless

Close Financial Services

"We felt Silent Edge's approach was very professional, and perfect for what we were looking to achieve. We're aware that they work in a number of sectors, but the understanding they showed of our market was extremely impressive. They took an empirical approach to measuring various sales competencies and the ongoing support and development, beyond the initial workshop sessions, has been extremely valuable. Furthermore, the individual approach taken to skills and development has seen clear positive changes".

"With Silent Edge's help we have developed sales strategies, processes and people that we can depend on to articulate our proposition and message clearly and in a structured and professional manner".

Tim Wilson – Director - Close Premium Finance

G4S (Formerly Group4Securicor)

“There is no question that the SVP Adoption training programme Silent Edge ran with our sales force has had a direct influence on strengthening our pipeline. It was previously £150m and is now £500m strong. This is a fantastic result and we are delighted”.

Douglas Greenwell - Sales and Marketing Director - G4S

“If you are serious about improving your business, making changes where they are necessary, then Silent Edge is the right company for you. I’m certainly glad that we have, because we have increased our turnover by 50% in a year when the market was growing at less than 5%.”

John O’Brien - MD - Sematron

Conclusion



We have covered a lot of ground, but a clear picture has emerged. UK business is:

- Adopting completely inappropriate criteria when selecting Sales Managers.
- Chronically under-investing in the training and development of its Sales Managers.
- Applying (when training & development *is* provided) many inappropriate techniques - or misapplying techniques such as psychometrics.
- Resorting to subjective measures when selecting/creating sales management training courses and development programmes.
- Almost completely ignoring the need for training in sales management *skills*.
- Distracting Sales Managers from their true role by applying personal sales territory targets.

Not surprisingly, a similar picture has emerged for the selection and development of salespeople.

72% of Silent Edge customers have reported 'significant' impact to their bottom line as a result of sales management skills development.

The good news is that, for any company wishing to buck the trend, there is an enormous opportunity to deliver straight to the bottom line - not to mention improving sales morale. Indeed, 72% of Silent Edge customers have reported 'significant' impact to their bottom line as a result of sales management skills development.

The material published in this Briefing Report is the result of independently conducted market research.