

Technology Outpacing Sales Skills, Performance

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Organizations are investing billions in sales productivity technology; but are they realizing ROI in sales performance improvement? According to the Gartner Group, the worldwide investment in Customer Relationship Management (CRM)/Sales Force Automation (SFA) technologies is estimated at \$24.6 billion for 2014 – up 17% over 2013; and it is anticipated that in 2015, and the three years following, CRM/SFA technologies will continue as the single largest sales investment by companies. In the past three years, organizations have invested almost \$60 billion or more in CRM, but this figure reflects software purchase/subscription investment only. Total investment in CRM capabilities, including hardware, training, time out of field, etc., would likely place the total investment in excess of \$100 billion.

WHAT'S UNDERMINING THE TECHNOLOGY INVESTMENT?

The benefits of new sales technologies are numerous and significant. Extensive intelligence on customers, prospects and competitors, as well as impressive sales funnel and pipeline management functions were intended to make sales professionals more efficient and effective in their jobs. Many assumed the increased insight and efficiency were precursors to improved sales performance, but that has not been the case. According to Accenture's latest report, [Powering Profitable Sales Growth](#), representatives achieving their sales goals have declined from 67% in 2013 to 59% in 2014 (even with sales quotas generally lower in 2014 than 2013) and revenue target achievement is down by over 5% (See Figure 1, Figure 2 below). This lack of sales performance improvement suggests an element of the sales equation is missing.

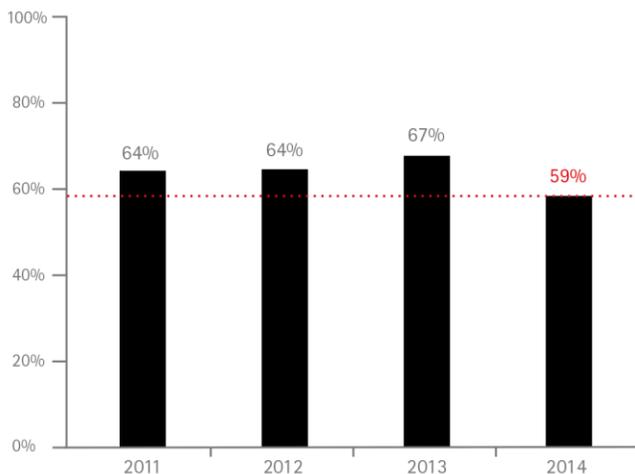


Figure 1. Sales quota achievement has declined for the first time in years.

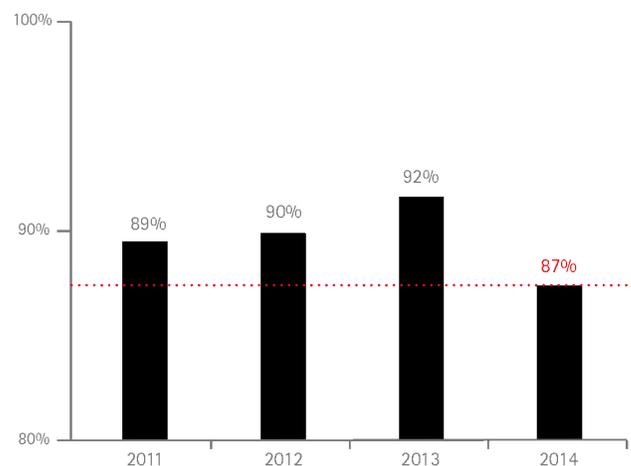


Figure 2. Revenue target achievement has also declined for the first time in years.



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In the face of billions of dollars invested in CRM/SFA to improve sales effectiveness, sales performance is dropping. How can that be? Certainly, none of this paints a bright picture for sales leaders or sales professionals who are fixated on technology as the solution to drive sales performance. To the degree that sales organizations are not seeing the impact of sales technology reach their overall sales performance or bottom line, sales leaders should be asking key questions to determine why:

- Is my sales team more productive with technology?
- Are we identifying customer needs?
- Are we spending more productive time with our customers?
- Are customer relationships stronger and multilayered?
- Are we able to use the data to better understand customer needs?
- Are we creating more opportunities to better serve and meet the needs of our customers?
- Is our customer relationship strength/depth such that we can challenge their norms and offer insights to create value?

Answers to these questions provide insight as to whether your sales organization may be suffering from an imbalance between sales technology and sales skill/process development.

The recent dip in sales performance indicates that over the last several years we have not been building the right balance of technology, sales skills and processes that drive high-performance cultures. It is time to consider that we have been over-investing in technology and perhaps unrealistic in our expectations of its role in our sales performance, while under-investing in the skill set of our sales team. The result is an over-complicated, multi-tasking sales environment with a higher focus on technology and less on

customer diagnostics, engagement and experience, not to mention sales process and selling skills. Is it any surprise we are experiencing a lag in our sales effectiveness?

MORE TECHNOLOGY AND LESS TIME WITH CUSTOMERS IS NOT A WINNING COMBINATION



Customers are more "connected" than ever, with access to more information than ever; yet numerous studies reveal that less time is actually being spent with the customer. According to Accenture, sales professionals are only spending about 40% of their selling time with customers! How is that more connected? If we are spending less time with customers, what are we doing with the very analytics that companies have invested in to identify opportunities? Sales professionals have become mired in administrative and internal processes versus selling.

In contrast, consider the common sales approach from the 70's and 80's, where customer relationships were the end-all be-all to sales success, and we likely relied too heavily on genetic DNA to explain the selling "skills" of the most successful sales professionals. Sales professionals had the luxury of being the sole source for product and industry insights. The motivation of the sales team and the



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organization were based on their focus and success in the field, with all information gathered and maintained at the field level. The sales professional's brain had a singular focus. Great sales organizations were rewarding and motivating and were having success based on this sales model. One can see that during this era the scale was tipped almost completely toward sales behavior. Technology was not yet being leveraged as a tool for sales effectiveness by the individual salesperson.

WHAT'S OUR FUTURE?

So what is the future of sales and how do we begin the transformation that is necessary for success? The next generation of sales professionals will have a new set of sales processes and methodologies that are required for success. Accenture's research indicates almost 75% of all sales executives believe their teams need to develop new skills for success, although only 50% are actually making the investment to close this gap. It reminds one of the often-quoted definition of insanity: "Doing the same thing over and over and expecting different results."



Is this the old-fashioned "do-loop" in which sales has found itself; wanting something different but not updating the skills to accomplish it? More investment and focus appears to be going toward sales technologies, but it is not in proportion to skills and process development. This imbalance is placing both sales professionals and their leadership at a disadvantage in achieving performance expectations.

This is by no means a call to abandon focus or investment in sales technology. At this juncture, the lack of insight provided via CRM/SFA tools would put any sales organization at a significant disadvantage. The key learning here is that sales technology is not a substitute for the foundational role of the sales professional. Technology cannot develop customer relationships or interpret data to identify the strongest business development opportunities and the most valuable insights and solutions for customers. Today, the strongest sales organizations are taking a more balanced approach to sales technology and sales skills development, with focus and investment in both.

SALES PROCESS, METHODOLOGY ARE CRITICAL FOR REPEATABLE SUCCESS

The key to optimizing sales performance moving forward is using the tools we have in a different and more balanced manner. Whether you use an existing sales process offered by an outside firm or one designed internally, having an identified sales process is critical to achieving repeatable success. Your sales process needs to be a strategic approach focused on your customers, as opposed to a product or service approach (which is often mistaken as a sales process).

Accenture's report, [Powering Profitable Sales Growth](#), referenced data from the CSO Insights'



2014 Sales Performance Optimization study that shows a strong correlation between sales process and sales effectiveness, stating, "Our research has shown that companies with formal or dynamic sales processes outperform their peers on a number of measures." Those measures include annual sales revenue attainment, sales rep quota attainment and rep turnover.

The study also reported that "sales teams are ambivalent about adopting a prescribed sales methodology," with only 51% of sales organizations using a formal or dynamic sales process and less than 8% having a consistent sales methodology (i.e., culture) in 2014. Yet long-term sales success depends upon a consistent and repeatable sales methodology that will take your team to the next level. Your development initiatives should include sales skills to develop relationships at multiple levels in the customer's organization, and ensure they are interdependent relationships based on trust, credibility, rapport and respect. These relationships must be cultivated to a depth that allows your sales team members to deliver candid insight and challenge the norms of your customers. Sales professionals also need to have a greater agility with organizations to create value at multiple levels. The days of one-to-one selling are gone. Cross-functional selling in customer organizations is the new norm.

🌀 NO RELATIONSHIP = NO INFLUENCE 🌀

Organizations that make significant investments in product and service information development, and confuse this with skill development, are setting themselves up for failure. Customer organizations are more sophisticated than ever. Sales professionals can only create value when they help customers understand what they don't already know.

SALES PROFESSIONAL'S ROLE: UNCOVER, UNDERSTAND, SOLVE

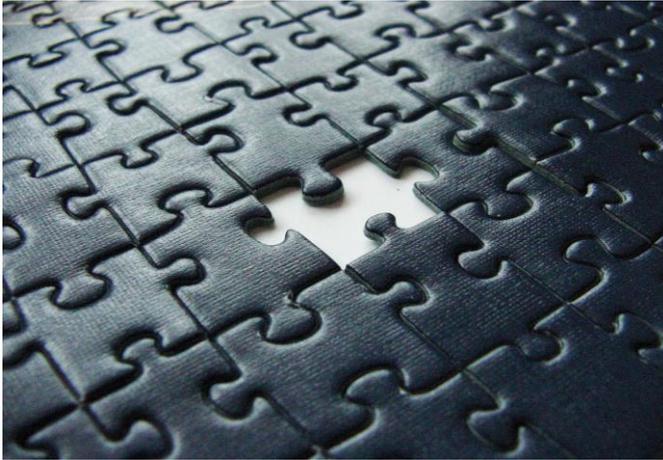


By all accounts, there is a significant shortage in problem-solving ability in both customer organizations (lack of resources and expertise) and sales organizations (lack of skill development and focus). CSO Insights has identified problem solving in organizations, as the number one need for skill development. This industry-wide shortage presents a significant opportunity to sales organizations that recognize it as such.

As a problem-solving organization, your sales professionals must first have diagnostic skills to **UNCOVER** the problems that customers are experiencing. Problem solving is developed by having an expertise and understanding from a robust diagnosis of the problem and the means by which sales professionals can create value for customers by clearly communicating the opportunity. For sales professionals, **UNDERSTANDING** is the ability to take the diagnosis and provide unknown insights to the customer as a means of facilitating continued and deeper learning, and truly fresh insight. Sales professionals who are still selling based on information readily available from a variety of public resources are just a double click away from extinction.



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The final piece of the new sales puzzle is to develop the data from all of our technology investments, combining that learning with our unique and deeper understanding of our customers' gaps, and crafting a strategy to **SOLVE** their problems. Technology cannot do this for the customer. It takes a sales/business professional with well-developed sales skills and a multilayered relationship within the customer organization. This value contribution creates "position" for the sales professional and elevates your entire team to the role of business advisor, thereby changing the customer experience.

🌀 No POSITION = No INSIGHT 🌀

The reality is sales performance is not driven by a single factor or focus. People, process and technology are the three pillars of sales success. To win, organizations and sales leaders must cultivate all three. While technology improves at a faster pace and is often the focus of organizations, savvy sales leaders find ways to leverage their people and optimize processes to meet the fluid demands of an unpredictable market. The potential benefits of sales technology will only be realized when sales insight, agility and capability are robust enough to keep pace.



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Carew International is a leader in sales training and leadership development; specializing in comprehensive, proven training programs for sales, sales management and customer service excellence. For nearly 40 years, Carew has earned its reputation of delivering increased productivity and profitability to our valued clients worldwide.

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