

A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are framed by a yellow rectangular area in the top right corner. The sky is a clear, pale blue.

OXFORD

Achieving a
**STRATEGIC
SALES FOCUS**

Kenneth Le Meunier-FitzHugh & Tony Douglas

Achieving a Strategic Sales Focus

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Contemporary Issues and
Future Challenges

Kenneth Le Meunier-FitzHugh

Tony Douglas

Foreword by

Lord Bilimoria of Chelsea, CBE, DL

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To Leslie Caroline, without whose support nothing would have been achieved.

—Ken

To Ken for asking me to co-author this text. He said it would be fun working together. He was right. And to Jane, who encouraged me to achieve this milestone.

—Tony

■ FOREWORD

Every entrepreneur will face tough times, but one of the greatest joys that entrepreneurship can bring is the ability to make a real difference. You can build a strong, well-bonded team around you and you can feel as though you are making a difference to some of the great modern challenges that people face. Entrepreneurs are the masterminds of making the best of new technologies and bringing them to new markets. While they create new jobs for those who can build, deliver, and sell new products, they can make a real difference.

Aside from innovation, global sales also help UK companies contribute to UK economic productivity. I often encourage entrepreneurs setting out on new ventures, whether they are young or old, to consider the global markets where they could sell their products. They should also consider using the Government's support infrastructure for those selling abroad, as UKTI and the British High Commission have helped so many entrepreneurs to date. Entrepreneurs create international opportunities for themselves and their teams, which enrich their experience in business, as well as boosting sales.

Acknowledging that the right infrastructure and opportunities exist to tackle new markets is the basis for recognizing the importance of your sales team. Some small businesses with a thirst to succeed and a point to prove can see this right away, and studying the leadership qualities within these firms is fast becoming a priority among the hungrier large businesses. I hope that this book will act as a much-needed wake-up call for organizations that have overlooked the demands that sales and marketing put on your creativity, your leadership, and in fact on the whole organization.

When I founded Cobra Beer in 1989, I pitched my product to Britain's curry houses by personally carrying it crate by crate into their restaurants, often quite literally selling it to them on their doorsteps. I won my first customers this way and this experience made clear to me the virtues of salesmanship, including the need to put the customer first in order to grow. Particularly when selling through sales partners in India and elsewhere, relaying, reporting, and understanding customer feedback is essential when perfecting that compelling and bold brand.

The experience of selling, and truly understanding the value of your product to your customers, is something you should carry directly to the top rungs of the leadership team. A brand should have advocates in the factory, in the high street, from the delivery van to the head office, for if people cannot justify a brand's place in the market, it is in danger of disappearing or falling out of favour.

For me, the Cobra Beer brand is my most valuable asset. My business, now a joint venture with Molson Coors, is so valuable to my partners and I, not just because the customers love the taste, but also because the brand is a fixture in the market. I am proud of the product, but the quality of the brand has taken just as much work to perfect and has allowed me to take on the behemoths of beer in both pubs and supermarkets, and has seen Cobra stocked in almost every single curry restaurant in the UK.

Being a businessperson is about creating opportunities for oneself. When starting out, after I had finished my studies at university, I considered a number of options. I had qualified as a Chartered Accountant, and taken a degree in law, but I knew that I could not commit my lifetime to either of these career paths. I craved blue skies and the limitless ability to make a difference. For anyone starting a business today, customer expectations are higher than ever and new technologies help a good salesman meet these expectations, while making the whole business organization more transparent than ever.

My own experience tells me that this book, *Achieving a Strategic Sales Focus: Contemporary Issues and Future Challenges*, will not simply be of use to sales executives. Perfecting the 'sell' is an essential part of business strategy as it is the crucial point at which profits are made or lost. From retail to B2B, transactions are universal in business. In today's crowded business landscape it is essential that all businesses perfect their sales approach and integrate it into their wider business strategy and the business's broader impact on the world, rather than treating sales efforts as a means to an end.

When trying to articulate what has been my inspiration as an entrepreneur, I often think of the last two lines of the Victorian poem, 'Invictus' (Henley, 1888), often thought of as the entrepreneurs' creed:

'I am the master of my fate; I am the captain of my soul'.

Lord Bilimoria, CBE, DL

■ PREFACE

The intention for this new text was to continue to explore many of the themes that had been raised by the contributors to the successful *Oxford Handbook of Strategic Sales and Sales Management* that was edited by Professor David Cravens, Dr Kenneth Le Meunier-FitzHugh, and Professor Nigel Piercy and published in 2011. *The Oxford Handbook of Strategic Sales and Sales Management* is a compendium of collected works authored by leading academics in the field of sales, which considers sales and sales practices. However, after speaking to a number of academics, sales leaders, sales professionals, and sales training organizations, and in the light of recent sales research, our focus changed. This book will now reflect on topics raised in recent academic literature written on strategic sales and sales management, practitioner concerns, as well as considering many of the themes that were raised in *The Oxford Handbook of Strategic Sales and Sales Management*.

There have been substantial changes in the status of sales in academic literature in the last five years, with many leading journals regularly publishing articles focused on the sales function. In the US, some leading business schools have also developed research streams into the sales function and opened centres of sales excellence. These actions recognize the importance of the topic, as both an academic subject and an area where insights need to be developed to help to achieve a strategic sales focus. The book is set within the context of the growing importance of the sales function within many organizations, as organizations quest for increasing returns on investment and improved revenue streams. Escalating selling costs require organizations to be more focused on results and highlight the shifting of resources to the sales function. For example, sales organizations in the US spend over \$250 billion on advertising, but over \$1 trillion on sales-related expenses (Ahearne, Rapp, Hughes, and Jindal, 2010). Further, growing customer power requires a strategic sales response from organizations, as well as for tactical effectiveness.

Personal selling has always been an important part of organizational activities, especially where the product offering is complex. The key roles of the sales person are to be a change agent, a communicator, negotiator, and a deliverer of customer value as well as achieving sales. To support the organization, sales people are expected to deliver profitable revenue streams and to achieve this they have to adopt a range of behavioural, technological, and managerial forces that is dramatically and irrevocably changing the way in which sales people carry out their roles. Sales remain the primary interface between the selling organization and their customers. However, more and

more organizations are also selling direct through the Internet to end users and smaller customers. This change frees up the time of the sales person to concentrate on larger, more complex sales.

Accepting the increasing importance of the sales role to the modern organization, we were surprised when our discussions with industry practitioners and specialists revealed that a lot of organizations were still unclear about the shape a future sales team should take, how it should be managed, and how it fits into their business model. It has been established that buyers usually find out a lot of information about products/services that the organization offers from organizational websites and the Internet, so that customers do not need to be told about the product features on every sales visit. What they do need to be told about is how the products and services benefit their situation, solve their problems, and meet their needs. This is not a new idea as it has been reviewed in recent relationship management and solution-selling literatures.

Customers are no longer interested in talking catalogues or process experts (e.g. Ryals and Davies, 2010), as they need people who will listen to their needs and to develop long-term, profitable, partnering relationships. So why do sales people keep moving back into the safe territory of selling benefits and discussing product features, when they know that it is not the most profitable or successful sales technique? It may be that sales people frequently meet some form of confrontation, doubt about their motives, and even aggression from the customer. Salespeople can feel beleaguered by the customers and the pressurized nature of the situation. Unfortunately, salespeople may not just meet confrontation when visiting customers, as they may also find themselves challenged within their own organization. This type of attitude towards salespeople may explain why the salespeople slip back into known behaviours to meet their targets, rather than being brave and resilient, developing their contacts, and working with the rest of the organization to improve service.

A focus on short-term targets can also be counterproductive in creating long-term sales relationships. We all know that targets are important and that making the sale is a fundamental part of the job. However, with a lot of organizations still relying on commission payments to reward sales people's behaviour may consequently be pushed towards short-termism, transactional selling, and possibly unethical behaviours. The need to push products, specifications, and process improvements to meet the organization's requirements may become paramount. These actions are reinforcing behaviours that have already been identified as being unsuccessful in creating long-term relationships with the customer. Another safe topic for salespeople to discuss with their customers is processes. This is where salespeople move the discussion from product features and benefits, to processes, for example, how to speed up delivery, how they can deal with one-off orders, or even how to handle invoicing.

While these discussions are sometimes of benefit to the customer the salesperson is still avoiding exploring those really difficult discussions about long-term business objectives and establishing business partnerships to add value to both parties. In the face of all of this complexity it is perhaps understandable for salespeople to retrench into safe behaviours, selling on features and benefits, and working with known customers rather than pushing boundaries. These revelations started us thinking that poor sales behaviours may be a failure of leadership rather than a lack of skill, intelligence, or ability on behalf of the sales person. The sales leader is the person who can provide the sales team with guidance, space and time to develop, organize appropriate training, and work with the sales team to enable them to become great, as they hone their skills and become confident account managers. Because of the wider role and the importance of leadership in every aspect of managing sales we have selected to use the words 'sales leaders' as opposed to 'sales managers' when discussing this function. We believe that it is no longer sufficient just to manage a sales team, you also have to lead them to achieve the best results. The most successful salespeople engage with their customers and become customer relationship managers, but without managerial support and pioneering leadership they are unlikely to take this path.

In this book we shall consider what makes a good sales organization in a competitive environment. We will also consider the role of the salesperson and sales leaders in different contexts. Whichever field you are in it is likely that you will be working through intermediaries and therefore interacting with professional buyers, and the aim should be to generate longer, profitable relationships for both parties. These relationships may be created through the development of the service element of the offer, which is now the norm for many businesses. Consequently, marketing cannot just support the sale of products and services, but also need to help develop business relationships. Marketing has been found to be just as guilty as sales in focusing on products and product specifications, and should now work with sales to develop the right types of value proposition, promotions, and communication messages to generate a dialogue with customers. Another consideration of this text will be the internal cooperation of various parts of the organization, for example, how other functions can work in concert with the sales team to provide greater value for the customer. We can hear many of you saying that this is really key account management, but we would argue that key account management should go further than this and this is something that will be discussed in the book.

We do recognize that there are successful organizations that focus just on transactional selling. However, there are many excellent texts available that reveal the five, six, or nine steps of selling and discuss the options for managing this type of sales team and therefore this is not the focus of the book. Our aim is to move the debate on sales onto new ground and discuss

what has changed recently and even forecast what the future holds. Buying organizations are getting bigger, more complex, and want more from their suppliers. Supplying organizations are still struggling to adjust to these changes (alignment of buying processes and selling process). There is no real clarity on what exactly a customer is and how their needs should be met. Not all customers are the same and they need different relationships and levels of service.

We believe that the sales renaissance is evidenced by a number of changes that have taken place in the marketplace, including the importance of building profitable relationships, creating/delivering brand value, market-sensing, strategic customer management, building internal and external relationships, global selling, and networking. The role of sales in the delivery of organizational strategic goals has never been more essential. Some of the primary drivers to change in the sales environment are rising customer expectations, the globalization of markets, greater customization leading to smaller viable segments, technological forces (Internet, virtual sales office, electronic sales channels), a shift to direct marketing, outsourcing of sales, and blending sales and marketing functions. In response sales departments are being reinvented to address the needs of the marketplace more closely through building a better understanding of customers needs, networking with internal functional areas (e.g. marketing and other customer-related functions like finance or R&D), creating sales organizational structures that are nimble and adaptable to different customer groups, embracing a wide range of technological tools to interact with the customer, and developing an innovative approach to selling.

To review these changes and challenges in the selling environment and propose various solutions to effectively manage the sales function, this text will be structured around four key themes. The first section will explore the strategic positioning of the sales function within the modern organization. The second section will examine the sales relationship with the customer and will highlight how sales functions are responding to an increasingly complex environment. The third section will consider sales management and recent developments in the field. Finally, the fourth section will present new forms of selling, evolving sales processes, and review the new distribution channels for modern sales organizations. The chapters will be supported by a series of short case-study illustrations that have been written by sales leaders to either describe the changing nature of their organization in response to the market, or the changes to their role and expectations of the sales team. We hope that you enjoy engaging with the topics reviewed in this text.

Kenneth Le Meunier-FitzHugh
Tony Douglas

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