



# THE CHANGING ENVIRONMENT OF THE SALES MANAGER

A Mercuri International White Paper

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## What sales representatives are the most successful?

At Mercuri International, the best sales representatives have a mix of competencies that belong to areas of Assertive Selling – exuding confidence – and Consultative Selling – presenting yourself as the friendly expert. Sales representatives of this kind combine a “will to win” with an understanding of the customer’s business model. They have the courage to knock on doors high up in the customer hierarchy, and they have the skills needed to lead conversations towards results.

An article published in the *Harvard Business Review*, July 2012, “The End of Solution Sales,” argued that sales representatives today draw the customer’s attention to opportunities in their business model and point out how to utilise those opportunities. An in-depth knowledge of the customer’s business model is required for such a role, and the article calls a representative who does this “the challenger” as opposed to the “relationship builder.”

In order to be successful, Sales Managers have to answer the following questions:

*How does a sales representative and his/her sales approach fit within the organisation?*

*What competencies should be developed?*

*How does a Sales Manager best deal with this kind of sales representative?*

Let’s have a closer look at these questions.

## How does a sales representative and his/her sales approach fit within the organisation?

In the past, Sales Managers hired new sales representatives who were able to build and maintain relationships. There is still a place for sales representatives of this kind, especially in industries where the customer is also committed to this approach. But markets are rapidly changing and with them so are relationships.

But suppose there is no need for a relational approach; then the consequences for Sales Management are extensive.

- Top down targeting no longer makes any sense. The input from the sales representative is essential for setting an ambitious but nevertheless realistic budget for each customer.
- The sales representative must have the full support of the organisation itself. Challenging the customer

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## The changing environment of the sales manager. *CONT.*

also means challenging the internal organisation. If it is not supportive, the sales representative will be forced to become a loner and will eventually leave the company.

- It will have impact on the existing sales strategy, sales methods and processes, account management frameworks, pipeline and Sales Management processes.

### What competencies should be developed?

The Corporate Executive Board council in the US published an interesting audit in September 2012, conducted across more than 5,000 B2B customers. It showed that the most impactful drivers were (in order of impact):

1. Account managers offer me unique perspectives.
2. Account managers help me navigate alternative approaches for my business.
3. Account managers help me avoid mistakes.
4. Account managers educate me on new issues and outcomes.

Amongst the least impactful drivers from that analysis (in fact, about 40% less effective than those listed above) were the following:

1. Account managers understand my internal organisation.
2. Account managers can diagnose my needs.

In other words, sales representatives need to embrace out-of-the-box-thinking, creativity and curiosity. Sales Management needs to consider whether these personality factors are already available in the existing sales force. If not, new hires will be inevitable.

**Sales representatives need to embrace out-of-the-box-thinking, creativity and curiosity.**

In deciding which sales representatives have the talent and the ability to develop the most ideal approach to sales, the following preconditions need to be considered:

- Can build high trust and a credible relationship with the customer.
- Has a fundamental understanding of the customer's business environment.
- Can demonstrate the unique selling proposition (USP) and value in the customer's specific business model.
- Can build a compelling business case that justifies the sales process.
- Resists "pitching" solutions/alternatives too early.
- Uses creativity and openness to solve the customer's issues.
- Is self-confident.

### How does a Sales Manager deal with this kind of sales representative?

The consolidation of companies in the context of the current economic downturn is making many sales processes longer and more complex. For most companies, there is no longer any low-hanging fruit. Winning a major sales deal is tough and requires a process in which opportunism has to be excluded. All the same, we still often see big opportunities fuelled by naivety and opportunism. This can easily lead to bad decisions. To prevent this and manage complex sales processes with more success, the focus of Sales Management needs to be shifted from "managing data" to "managing doubt."

Doubt is almost a dirty word in sales, but Mercuri International sees it as a way of making better future decisions. Doubt indicates uncertainty, and an uncertainty will definitely influence the result. Analysis of lost orders often shows that the sales representative has ignored signs of doubt. Therefore, doubts should not be ignored.

The changing environment of the sales manager. **CONT.**

The focus of Sales Management needs to be shifted from “managing data” to “managing doubt”.

Overall, this is radical change in the role of the Sales Manager, who, more than ever, has to show leadership to guide the sales representative in making the right decisions and acting accordingly.

Mercuri International helps your company make changes based on concrete business cases for your clients. Together with Sales Managers, we analyse the competencies of sales teams and translate this into a financial value for the company. We show that more revenues and better margin can be achieved by redesigning the sales processes, and by implementing new sales approaches. In short, we help Sales Managers take sales to a higher level.