

Seven Emerging Sales Competencies

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An ongoing study comparing the practices of the most productive one-third of business-to-business salespeople with the bottom two-thirds at 40 diversified companies is pointing to a new model for the selling practices required today. The study also reveals that successful salespeople are not constrained by traditional practices, but work instead in ways they have found best. And it suggests that saleswomen may have a gender advantage in business-to-business selling.

Now in its third year, the study is being conducted by Siebel MultiChannel Services, which provides firms with the skills, processes, and management disciplines they need to translate channel strategy into revenue growth. Criteria for sales rankings include perceived effectiveness as rated by customers, managers, and account team members, as well as revenue generated over a five-year period. More than 1,000 salespeople have participated so far. Data are being collected using multi-rater questionnaires completed by salespeople, randomly selected customers, support staff, and sales managers, as well as through interviews with salespeople and direct observation of sales calls. More than 15,000 data points have been collected to date. The questionnaire was validated by research psychologists at Baruch College of the City University of New York.

The findings cut across all industries, contradicting the assumption that successful sales practices vary among different industries. The major conclusion so far is that good salespeople develop and use seven competencies, the significance of which management does not fully recognize. We call these the "emerging competencies for successful selling." Many of the top third of salespeople use them despite the fact that they are not necessarily modeled by managers, who tend to rely more on traditional strategies and tactics.

The study also shows a relatively small gap between the top and bottom groups in their use

of two traditional competencies: basic selling skills (establishing rapport, uncovering needs, relating benefits to product features) and building and executing strategic account penetration plans. These more traditional competencies, though essential to performance, were less discriminating between levels of performance than the emerging ones.

Sales managers historically have considered these traditional competencies the most significant variables for predicting success and assessing performance and as the focus for training. But another conclusion of the study might surprise them: Salespeople tend to be more in tune with customers' changing needs than are many sales managers. And customers are more aligned with the emerging competencies than are the managers.

The Seven Emerging Competencies

The first competency, *Engaging in Self-Appraisal and Continuous Learning*, was most predictive of strength in the other competencies. Historically, sales candidates have been screened for their impervious egos, which often refuse to recognize any room for improvement. But self-appraisal has become more and more critical to success in today's flatter sales organizations. A higher ratio of salespeople to sales managers entails fewer joint calls and less face-to-face coaching.

The largest gap between the top and bottom groups was in *Listening Beyond Product Needs*. Less effective salespeople stop after determining expressed client needs; the good ones press on to identify the business issues underlying them.

The most difficult competency to develop was *Orchestrating Internal Resources*. Successful

It's time for sales managers to get themselves and their reps in sync with modern business needs.

salespeople treat company resources with the same degree of importance and creativity as their prospects. Many of the most successful spend up to half their time building collaborative, customer-focused relationships inside their organization.

Salespeople who excel at *Aligning Customer/Supplier Strategic Objectives* look to further the

interests of their customers' firms as well as their own. They keep current on developments that affect customers' business strategies, welcome opportunities to customize products or services, and have a long-term perspective on the way they do business with customers.

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Establishing a Vision of a Committed Customer/Supplier Relationship requires expanding the customer's understanding of what a business relationship can be. A sales rep must build a flexible relationship that is responsive to marketplace changes, and communicate achievable objectives for the relationship while challenging the creativity of both organizations.

Salespeople who are adept at *Understanding the Financial Impact of Decisions* use their internal resources in ways that are appropriate to the potential profitability of serving individual customers. They also look for ways to contribute to customers' profitability.

Consultative Problem Solving requires anticipating possible problems and inviting discussion on how to overcome them. It means determining the cause of a problem and identifying various constraints, then proposing innovative solutions that go beyond the immediate application of the product or service.

The Competencies in Use

Among the firms that are concentrating on developing their sales forces to use the emerging competencies is Pechiny Plastic Packaging, Inc. The company is facing a growing problem for businesses today: commoditization. The materials and even the dimensions of its products are identical to those of competitors.

Pechiny is adding value for its customers by helping them meet their critical objectives. Typically at Pechiny, a sales rep may ask an R&D specialist who refined a particular product to make it more useful to the customer. A marketing specialist may be able to provide a global perspective on the customer's industry. A vice president or other senior executive could counsel the customer. The sales rep must now be as influential

when selling internally as when engaging with the customer.

BioWhittaker supplies tools and technology used by pharmaceutical and biotech researchers to develop therapeutic compounds. To serve customers better, it has reorganized its sales force around markets rather than products. Sales managers actively encourage reps to mobilize all internal resources to build collaborative, customer-oriented relationships. That way, reps can focus on innovative solutions to customer problems, with measurable financial impact.

CUNA Mutual Group supplies insurance and other financial services and products to credit unions and their members. By becoming a strategic partner with its customers, it is helping credit unions compete in a market dominated by more sophisticated financial service providers. CUNA's underwriters, actuaries, and other specialists are assigned specific accounts so they can help the customers serve their own customers better. In recognition of the emerging competencies, Dave Sweitzer, a CUNA customer development and process leader, says:

Instead of looking for opportunities for which we have products, we're spending our time analyzing our customers' situations to understand what they want to accomplish. We're better able to bring the resources of our whole organization together to provide complex and multiple solutions.

Successful Salespeople Often Disregard Managers' Directives

Some traditionally oriented sales managers are not fully attuned to the need for salespeople to use these emerging competencies. For example, they want reps to try to capitalize on every opportunity and every customer's expressed need. In contrast, the top salespeople are very selective. They try to maximize strategic alignment for both customer and supplier. They may even suggest buying from a competitor if it is in the customer's best interest.

In another example, top salespeople generally hold back on product introductions they feel are premature, and may not introduce products until well into the sales cycle. Some managers, however, may pressure them to meet sales goals, irrespective of the customers' needs. Because successful salespeople look for long-term success for their customers as well as their own company, they require the solutions they offer to undergo a more rigorous analysis.

In still another example, many sales managers usually want their reps to spend as much time as possible with customers. The top people, how-

ever, spend time building relationships with internal experts in such areas as infotech or manufacturing. This enhances their knowledge base and their ability to build cross-functional solutions that can meet unique customer challenges. There are still sales managers who discourage, or at best fail to reinforce, the use of technology. They see time spent on the computer as down time and believe that time should be spent only on revenue-producing activities. The top salespeople, on the other hand, are adept at using technology in the sales process. They are particularly skilled at building presentations, facilitating pre- and post-call planning and qualification, and analyzing account and profitability potential.

One can still find sales managers who stress standardized product sales. But good sellers place more emphasis on tailoring products in order to meet the precise needs of their customers. Sales managers are often under pressure to compress the sales cycle, even at the expense of overall relationship potential.

Sales Managers' Conflicts

The sales managers who recognize the need for this new approach sometimes find that their efforts to bring about change create tension and dissonance with old-line superiors. A sales manager may want to hire people who focus on improving their performance through self-appraisal. This can bring about conflict with corporate executives who prefer the more traditional "maverick" salesperson.

Senior executives may discourage the development of cross-functional selling teams because of a "turf" orientation and the fear of getting too many people involved. Turf-minded executives may also discourage sales managers' efforts to orchestrate internal resources with the aim of creating unique solutions for customers.

Sales managers may want to encourage a sales cycle that may have a big payoff. Many senior executives, on the other hand, put more value on meeting monthly or quarterly metrics, sometimes because of pressure from stockholders and analysts.

Senior executives may also discourage sales managers' efforts to identify emerging marketplace trends, push for innovation, and champion new directions. A reactive rather than proactive executive may view these efforts as distracting and taking time away from direct field coaching.

Advantages of Saleswomen

There is now evidence gathered from the study that women have a real edge in complex business-to-business selling. Women as a group may share certain unique characteristics that lead to

real differences in values, attitudes, and behavior. In today's marketplace, characterized by an increasing commoditization of products and services, these differences can be advantageous when applied to winning complex sales.

Certain sales practices that have been studied show significant differences between men and women. Whether the primary source of these differences can be attributed to biology, personality, and cultural or life experiences is difficult to determine and irrelevant to our purpose.

Of the nine sales competencies identified and studied (seven emerging, two traditional), women had an edge in five of them. Interestingly, those five were in the emerging competency cluster, where competitive advantage resides. The remaining four competencies did not show any gender advantage. Following are the five competencies in which women surpassed men in the eyes of customers and sales support colleagues, though not necessarily in the eyes of their more traditional sales managers.

1. Aligning Customer/Supplier Strategic Objectives. Customers and colleagues recommended the use of this

competency to men more than to women. Interestingly, though, sales managers reversed this recommendation, possibly because of stereotypical beliefs that females are generally more deficient in sales-related competencies. This should not be surprising, since a majority of sales managers have at best limited exposure to working with females in either their past role as sales rep or current role as sales manager.

Within this competency, specific on-the-job behaviors that afford women an advantage included doing a better job at:

- keeping abreast of new developments and innovations in customers' markets;
- keeping abreast of emerging trends and initiatives involving customers' competitors; and
- welcoming opportunities to tailor or customize product/service offerings to ensure that they meet customers' long-term needs.

2. Listening Beyond Product Needs. Again, sales managers stood alone in recommending the need for using this competency to women. Customers made a relatively strong case for women being more adept than men at seeing business process improvement potential and opportunities to add value for the customers' customers. Specifically, women appeared to be more effective at:

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- introducing customers to other suppliers and potentially valuable support resources; and
- creatively drawing on the full resources of the firm.

3. Orchestrating Organizational Resources. Women edged out men in the eyes of customers, colleagues, and, in this case, sales managers in their ability to identify key contributors within their organization, communicate relevant information, and build collaborative, customer-focused relationships. In the eyes of customers and colleagues, women more frequently demonstrated the following behaviors:

- communicating with appropriate managers about customers' needs and suggestions;
- collaborating with people in other parts of the supplier firm who can be useful sources of ongoing information, resources, and support;
- assembling a balanced, diverse team to provide high-quality solutions and services to customers; and
- creating and maintaining a customer-focused mindset in all members of the team who facilitate a customer relationship.

4. Consultative Problem Solving. Whereas sales managers saw no significant difference between salesmen and saleswomen with regard to consultative problem-solving abilities, both customers and colleagues saw more room for improvement in men than in women. Thirty-eight percent of customers recommended that men use this competency more often, while only 22 percent suggested that women receive training in this area. Women appeared better able to:

- modify proposals or plans, deal with concerns, and incorporate the suggestions of others;
- acknowledge problems and try to discover what went wrong and how it could be corrected, rather than make excuses or minimize problems; and
- engage in problem solving around issues not directly related to the product or application.

5. Engaging in Self-Appraisal and Continuous Learning. Customers recommended that 38 percent of salesmen would benefit from seeking feedback, compared to only half that number for women. Saleswomen were more inclined to ask for and welcome feedback to assess their performance and the degree to which they met expectations. They also seemed to have the edge on men when collaborating with colleagues and not allowing competitiveness to get in the way.

Altogether, the comparison of gender differences makes a rather compelling case for diversity in today's sales force, and has profound implications for the recruiting, selecting, and training of consultative, value-driven salespeople. For many sales organizations, women are still an underused resource. They may indeed have the competitive edge in winning complex sales by capitalizing on strategic alignments and collaborative long-term engagements. Empathy, introspection, nurturance, and collaboration are highly marketable when added value is the customer's priority.

For successful business-to-business selling today, sales managers must be able to model these seven emerging competencies as well as coach around them. They must also begin to give more consideration to saleswomen if they want to use these competencies to the fullest. □

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