

2009

The Difficulties in Transforming from Product Centric Selling to Solution Selling

While many B2B companies desire this transformation to fuel additional growth, the process is more complex than most realize.

A sales training event is not sufficient to cause sales people to change they way they sell. The transformation process requires sustained leadership, adaptations in supporting systems and process, political and cultural navigation, and most of all, communication. This paper will outline the common pitfalls for sales transformations and the recommended framework for more effectively implementing a change in the behaviors for business to business sales professionals.



A Common Vision; Transforming Sales

I hear it often. Just yesterday, I was on the phone with the Chief Sales Officer for a well known company that provides services to a majority of businesses on this planet. I asked him to share his perspective on his biggest complaint about meeting sales goals. He portrayed it this way, “we have tried and tried, but we can’t seem to move our sales people from product and price sheet pitching, to a more consultative sale”. He went on to explain about the stratification of their services solution and how they can help every business owner improve their business results... if they have a chance to engage them more effectively.

I asked him to describe for me the effort they implemented to bring about this change. Like the magician who writes down the answer to an illusion before the audience participant begins the process, I could have written his answer down before he said it and sent it to him.

He explained they had spent millions on sales methodology training, but said it was like water in a sieve. Within a month or so of the training event, it was as if the event never happened.

He also mentioned several other tactics that are commonly implemented; they announced the initiative at the annual sales meeting, they are measuring the breadth of solutions sold, and they have been updating their marketing materials to reflect the opportunities provided by their more stratified solutions.

The result; a minor improvement in breadth of services sold, but discounting increased, offsetting a large part of the gain. He also acknowledged that the minor gain was not due to behavior change, but more likely, just from being under the microscope.

The Scope of a Transformation is Larger than Most Expect

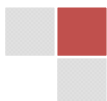
Transformations are routinely underestimated. It takes more than training to achieve a change in behavior. I’ll describe a more effective change framework shortly, but even if a company invests in a more sophisticated change management initiative to facilitate the transformation, there are obstacles that make each individual transformation a challenge. These obstacles include the growth status of the organization, the culture of the organization and the strategy selected by the leaders to implement the transformation.

Challenges to Sales Transformations

- Underestimating the Scope
- Not accounting for current health of the organization; success based transformations are more difficult than crisis based transformations
- Failing to diagnose cultural contributors
- Applying the wrong strategy for the situation

Whether a company is in crisis or successfully meeting growth expectations has a significant impact on the transformation challenge. It is much more difficult to transform a successful sales organization than a sales organization that’s in crisis. When sales teams are achieving their quota, there is little motivation to change. Additionally, other supporting organizations have little reason to change, leaving the sales organization on its own to hack its way out of the cocoon.

Culture also plays a significant, yet often times, invisible role in either facilitating a



transformation or blocking progress diligently. One of my current prospects has a large sales organization consisting of personnel from no less than four major companies, all of which were acquired in a relatively recent timeframe. This has resulted in a clash of cultures that haven't settled together yet, but more importantly, it has also produced a large population of sales people who have learned to wait out transformation attempts from their previous experiences.

A more direct cultural example; I also advised a technology company that had adopted the causal attire practice well known in their sector and Northern California base. The mere fact that a polo shirt could keep them from getting sponsored by their I.T. contacts to the business unit managers was eye opening for them. This obstacle remained hidden to them during years of successfully selling into I.T. organizations.

The choice of strategy is also critical. Going back to the difference between a successful company in growth mode and a crisis based situation, the strategy selected can backfire completely. While a company wide, all hands on deck strategy works effectively for crisis based situations, it can be disastrous for growing companies. In my last paper, "Transforming Sales without Crisis" November 2008, I go into detail on this issue, but for the purposes of this paper, I'll summarize by reiterating the point about motivation. If a significant majority of sales people are successful - robbing the change initiative of motivation - a broad based campaign to change behavior will be met with resistance. Further, our research indicates that once a transformation attempt fails, it is rare that a second attempt is made.

A Sales Transformation Framework

After the growth status is accounted for, the culture diagnosis is conducted and the strategy selection is made, a transformation framework should be leveraged to facilitate the campaign. Our transformation framework named, "TAKE CHARGE" was developed based on research published by Harvard University and the practical experience of our consultants.

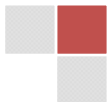
The purpose of a transformation framework is to help the leadership grasp the scope of the change and provide the basis for developing an implementation plan that can be measured, reviewed and corrected, if need be.

The TAKE CHARGE transformation framework consists of five key leadership disciplines that each encompasses a subset of leadership tactics. For the purpose of brevity, I'll limit myself to describing the five top level components in this paper. The end of this paper will indicate where you can find additional information if you would like to understand more about the underlying tactics.

The five leadership disciplines of sales transformations:

1. Define Success
2. Establish Credibility
3. Align Systems and Processes
4. Navigate Obstacles
5. Rebuild the team

Define Success: In the landmark paper, "Why Transformation Efforts Fail, Harvard Business Review, January 2007, James P. Kotter reports that failed transformations under communicated the vision by a factor of 10. He cites a common occurrence of a single memo, or single meeting used to communicate the



vision. The transformation plan should include a scheduled communication plan that is designed to communicate the vision, reinforce the concept on a regular basis, update progress and share lessons learned, and recognize or reward for the new behavior. Anything less than this is likely to short change the constituency and leave them somewhat unaware of expectations.

Establish Credibility: We've all heard the phrase "walk the talk", and yet one of the top reasons cited by sales people for not changing their behavior was lack of role models. It is not a surprising factor if you consider that a majority of management usually comes from the rank and file, leaving them just as ill equipped to execute the new behaviors. A transformation framework must include a venue for the leadership to learn with the team and establish credibility while doing so.

Align Systems and Process: If you are demanding that your team sell to a variety of stakeholders and diagnose their business challenges to bring a wider solution set into play, but your product training is still aptly named, you are undermining your transformation. Now consider the other systems and process that reinforce the old behavior or could be realigned to support the new behaviors: forecasting terminology or milestones, compensation strategies, hiring profiles, recognition practices, and titles, just to name a few.

Navigate Obstacles: Everything from the passive resistance of a role model sales person to the lack of commitment by other senior executives can undermine a transformation. Worse, coalitions can form and provide even greater political stonewalling. Non political obstacles can manifest as well. Typical

examples might include the structure of the organization or the need for new roles or responsibilities. An effective transformation plan includes an analysis of the obstacles and a plan to address the critical items.

Rebuild the Team: There are several facets of this discipline; defining the expected skill behaviors, evaluating existing personnel against the new criteria, communicating expectations, retooling skills, communicating performance to expectations gaps, and personnel replacement actions. In short, a cohesive plan to uplift the skills of the organization requires a methodical approach.

Rigorous Review

Sales transformations don't happen on their own. It requires an additional leadership discipline of rigorous review. If you've ever taken the initiative to teach a child or adolescent the practice of making their bed on a daily basis, you'll begin to appreciate the concept here. Taking a few minutes to show the child how to make the bed is the least of your investment. On a regular basis, you have to remind them to make the bed, check on their work, and show them where they can improve on wrinkles and getting the spread even on both sides. (Not that I'm picky.)

Managing an organization requires rigorous review as well. This is multi-level and multi-departmental in nature. First level sales managers need to review many aspects of the sales professionals behavior; customer diagnosis meetings, confirmation letters, and business proposals to name a few. The second level manager needs to review the first level manager for progress against their transformational plan and most importantly, walking the talk. The third level manager needs



to review the second level manager, and likely the progress of critical supporting organizations' contribution to the transformation initiative, including the CEO, if need be. And so on.

The important point is that once is not enough. Each review will uncover weakness, providing the participant with the feedback and opportunity to overcome the obstacle. Conversely, a lack of review takes the importance of the initiative off of the front burner, providing the easiest excuse to drop change leadership activities.

Eventually, with enough review and constructive conflict the new behaviors will become part of the culture.

Summary

My primary objective for this article was to illustrate that the average sales transformation initiative requires a larger leadership scope than is commonly understood or applied. The good news is that successful sales transformations pay off handsomely. As clients of ESG, many companies have witnessed significant increases in their largest transaction sizes, considerable increases in product and services sales breadth, and demonstrable increases in average productivity with successful sales model transitions.

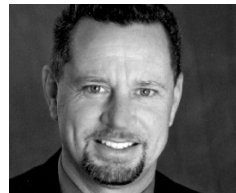
My secondary objective was to acknowledge that some sales methodology or behavior transitions may be larger than the current leadership bandwidth of the organization. In these cases, the help of an outside organization may be necessary to fully realize the potential for a sales transformation.

About Sales Transformations

This paper was purposely design to be short and provide a cursory overview of sales transformations. Unfortunately, that tends to make the subject sound simpler than it is; sales transformations are complex and can include unexpected surprises.

For more information on the other factors impacting successful sales transformations please visit our website, or contact one our consultants.

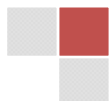
About the Author



Kevin Temple has lead successful sales transformations as a sales leader in crisis and non crisis situations; including

a remarkable success with Cadence Design Systems, where the largest transactions quadrupled in size in less than a year. He has also consulted on sales transformations with some of the world's most respected companies. His personal sales effectiveness clients have included Cisco, Dell, Cadence Design Systems, Epicor, Wind River Systems and others.

Prior to founding The Enterprise Selling Group, Mr. Temple was also co-founder and CEO of one of the top ten sales training firms worldwide, as ranked by ES Research. After witnessing some sales transformations succeed while a majority failed, Mr. Temple founded The Enterprise Selling Group to provide sales transformation frameworks to high growth companies and companies in need of change - regardless of their chosen sales methodology or strategy.



About ESG

As companies mature from a single successful product offering to broad solution portfolios - including acquired and developed products - a sales model transformation from product centric to solution oriented is critical for meeting ongoing growth expectations. The Enterprise Selling Group was formed to address the leadership challenges associated with successfully navigating sales model transitions of all sizes.

