

Today's Sales Management Challenge

The Challenge:

The pace of technological progress – once predicted as “future shock” – is now generating “present turmoil.” New products devour existing ones at an accelerated rate, companies and entire industries must quickly adapt or perish, and sellers of goods now find themselves wearing very different “hats” on a minute-by-minute basis. Given these circumstances, is it any wonder that recent surveys show customer relations and, consequently, retention declining?

No surprise, but how can sales managers possibly stem this alarming trend?

The first step, as always, is to consider the needs of customers. The second step is to expand the salesperson's focus to include value-added activities, not just products. Although this represents a shift from the traditional view of having salespeople focus on products, customer types, and geography, it's a necessary shift.

To follow is an outline of the four basic types of salespeople – their past, present and future roles and responsibilities (if any).

Route Salesperson – Last of a Noble Breed: Arriving early with a broad smile, shined shoes and a box of donuts, the route salesperson counts boxes, mingles with the natives, and assures everyone – often simply by his presence – that deliveries will be on time, counts correct, and prices fair. These valuable tasks, accomplished by responsible people with little technical training are (were) rewarded with professional-level compensation.

Unfortunately, evolution lacks compassion. These honorable and once plentiful careers are becoming mere “jobs,” with all the associated fragility. Stuck

between the needs of the few and the promise of automation and re-engineering, most route salespeople will eventually lose the struggle for survival. Companies can no longer afford to pay “professional-level” wages for jobs that involve only routine tasks.

But all is not lost for the route salesperson, because computers are not without their limits. As long as relationships matter, infrastructure is weak and outside influences (read: price pressures) are minimal, the route salesperson will retain a (diminished) role in the sales force. And, while growth will be limited to relatively low-cost personnel delivering commodity products to isolated or congested areas – not in the suburbs, where growth resides – the route salesperson will remain a valuable cog in the sales machine.

Project (Order) Manager – When It Absolutely, Positively, Must Get There:

Twenty-four boxes must arrive from six different cities on the same day, or installers paid \$85.00 an hour will stand idle – not to mention forklift operators, crane operators, etc.

Managing complexity – multiple vendors, shipping locations, manufacturing sites – equals cash management and is, therefore, a critical task. Each member of the supply chain wants to call just one person: one person who will be held accountable; one person who will solve the “problems.” Coordinating the application, pricing and delivery of various products, and knowing a little about each, is critical and, therefore, the project manager contributes to the bottom line.

Advanced technical skills and degrees are not required for the project manager to make the cash register ring, but good organizational and communication skills *are*. Therefore, project management can be outsourced to a variable-cost, commission-based solution, such as manufacturer’s reps or distributors. So,

unless project management is a core competency of your firm, it's best to staff cautiously.

Automation will greatly reduce the need for project management, but only when every link in the supply chain is *highly* automated. Like all chains, the supply chain is only as strong as its weakest link. If one hiccup occurs, the project manager's job security increases.

Product Specialist – At the “Bleeding Edge” of Technology: During rapid growth periods, industry profit margins and R&D expenditures rise. Technological advances come frequently, so customers require constant updating on features, functions and benefits. This challenges salespeople to stay “current,” and as a result, draws them into product specialization. They become experts, because experts are needed.

But growth has limits, and innovation ultimately slows, leaving highly specialized and highly compensated staff to perform project management or route sales activities, which is an abuse of cost and talent, and a sure-fire morale buster. Most product specialists know this and, given an opportunity to stay with an existing employer or move to another with new technology, the allure of new technology proves irresistible.

The prospects for product specialists remain bullish for the foreseeable future, especially for those willing to relocate and participate in ongoing training.

Account Manager – Bringing It Together: The account manager's primary responsibility is to manage the relationship between organizations. As customers and suppliers experience the uncertainties of the information revolution, re-engineering and increasing litigation, relationship management becomes more challenging, and thus, a higher value-added skill. It is the

account manager who knows the goals and personalities of the organizations involved, and matches the seller's capabilities to the buyer's needs.

Account Management is both the pinnacle and future of the sales profession. However, there is also a risk in providing a high-cost solution to a low-cost problem. The route salesperson will continue to fill specialized niches, as mentioned. Project Managers will flow faster and faster from the generally fixed-cost, manufacturer side, to the variable-cost distributor or manufacturer rep side of the transaction. Product Specialists will continue to pay their way primarily with cutting-edge products. Prospects for the account manager only dim when customer needs are satisfied with a lower-cost solution.

Customers need highly skilled sales professionals to reduce costs, to explain complex technologies, solve complicated problems, and help maintain their existing customer base while creating new ones. Otherwise, they need a quote. Account Managers, while relatively expensive, are the best available option, and they are (by far) the fastest growing segment in the sales profession.

Decision point: Sales management must choose between being change agents or just another provider of "hardware" (basic products). The "hardware strategy" lacks differentiation, premium pricing opportunities, partnering synergies and (usually) rapid growth. Ultimately, hardware suppliers are reduced to competing on price, and price wars are often nothing but long-term liquidation strategies – i.e., death spirals.

Sales managers must understand the capabilities and roles of sales professionals at each account, and carefully decide whether the route salesperson, the project manager, the product specialist or the account manager best satisfies the customer's requirements. Often, an account is somewhere along a continuum that's migrating from one requirement to another. Today, a

remote account may require a route salesperson to service its needs ... until urban sprawl and its associated volume reaches critical mass. Understanding customer requirements, technology needs, and geography are all key considerations when selecting the type of sales professionals for your business's most important asset – its customers.