

# The Perfect Salesforce<sup>1</sup>

## The 6 Best Practices of the World's Best Sales Teams

### By Derek Gatehouse

***Natural talent is the number one determinant of sales success.***

- Gallup found unequivocally that selling is a natural-born talent.
  - Business degrees are not relevant to sales performance – in fact, schooling of any kind is not relevant.
  - Experience in your industry is also not relevant. Even past experience in sales is not a requisite.
  - Only talent. And talent cannot be taught.
- New skills and new knowledge can be taught, but natural talent cannot.
- You must learn how to identify which talents you need for your sale and then have a reliable interview methodology for identifying those talent sets in your candidates.

***There are only a few true performance influencers that affect people's ability to consistently perform at the pinnacle of their talent. They are:***

- Your quotas
- Your pay plan
- Sales training
- The sales person's immediate manager

If the four conditions listed above are arranged correctly, according to behavior analysis, then your salespeople will flourish. However, if they are not arranged just so, performance will remain at the status quo.

### ***Behavior Analysis and Performance Influencers***

- There are only two ways to generate a desired behavior.
  - An antecedent is something that occurs before the behavior and is intended to generate a particular behavior.

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<sup>1</sup>*This paper is not a summary of the book. You will notice I do not outline the six best practices of the world's best sales teams. Although these points are well presented by the author they are not relevant as a whole to Marshall Commercial Funding. Instead of doing a summary of the book, I have instead gleaned out the specific truths that can be applied to my company.*

For example the promise of a huge bonus (the antecedent) for opening a record number of accounts has a good chance of generating a desired behavior from the salesperson.

- A consequence is what happens to the person after the behavior, as a result of the behavior. Consequences have been shown to be the most powerful tool for shaping behavior.

If the salesperson opens the record number of accounts and he doesn't get paid the huge bonus what are the chances he will believe you the next time you make such a promise?

- Three dimensions of consequences
  - *Positive or negative.* The consequence can be either a positive or negative one.
  - *Immediate or future.* Will the consequence occur immediately after the behavior, or will it happen some time in the future?
  - *Certain or uncertain.* The degree of certainty in the employee's mind that the consequence will in fact occur.

These three dimensions of consequence are the secret ingredient in your quota, your pay plan, training, and the daily relationship between employees and the sales manager.

- Positive, immediate and certain (often referred to as "PIC") is the strongest motivator.
- The second strongest motivator is negative, immediate and certain ("NIC").

### ***YOUR QUOTA IS YOUR NEGATIVE MOTIVATOR***

- Definition of quota: The results that a properly cast individual can regularly accomplish with reasonable effort.
  - Picking the perfect results, or quotas, for each job is a critical step.
  - If properly cast, your people should reach quota every period.
  - The salesperson's quota therefore describes the job; it quantifies the level of acceptable level of productivity in return for the employee's compensation.
  - Quota should never be used to attempt to increase a salesperson's performance.

- The quota fulfills its intended function perfectly as long as it is known and enforced. There must be consequences if the sales person consistently does not make quota.

### ***YOUR PAY PLAN IS YOUR POSITIVE MOTIVATOR***

- Monthly draw – is based on 70% of your previous year's commission income.
  - A typical base salary is not a performance influencer because the base salary is paid no matter how much or how little you produce.
  - However, a monthly draw based on 70% of your previous year's commission income incentivizes the sales person to perform at their peak.
- The Commission Component
  - You should pay your top performers very well.
  - Every sales person has a complacency point where we will work no harder, despite the knowledge that we would make more money if we did. A sliding scale commission plan where you make a higher fee split as you sell more works to reduce the negative consequences of a person's complacency point.
- Short-Term Incentives have many benefits
  - They keep things fresh and fun.
  - They also fit a behavior analysis technique known as "shaping." Shaping tells us to reward smaller (hence very achievable) victories often, which quickly forms cause and effect associations in our salespeople's minds. Shaping allows you to program, or shape, behavior.

### ***SALES TRAINING CURRICULUM***

- Every sale is about influencing someone and then leading them to make a decision.
- The most successful and highest producing salespeople seem to have mastered three different dimensions of influence. They are:
  - The attaining of rapport
  - The discussion of the solution
  - The advising process

#### ***The Attaining of Rapport***

- I don't think most people appreciate just how much of an impact rapport has on a potential customer's final decision.

- How many situations can you recall where the sale went to the wrong person? That is, you know that your solution was truly better for the prospect but they chose someone else?
- Although buyers will rarely admit it, largely because they don't even realize it, how they feel about you very much impacts their final decision.
- In short, we all gravitate to those who are "like us." We can get different types of personalities to like us by "mirroring" them.
- All you have to do to mirror someone is to mimic their physiology. Ninety-three percent of the meaning derived from any communication is derived nonverbally, either through a person's outward behavior or tone of voice. The actual words you use choose account for only 7 percent.
- Mirroring a person's physiology takes a little practice but it is not difficult. If they slouch, you slouch. If they are fast talkers, so are you. If they're loud and confident, you're loud and confident, etc.
- Mirroring is easy and it will "connect" two people who would not otherwise connect.

### ***The Discussion of the Solution***

- *SPIN Selling* by Neil Rackham is highly recommended.
  - The world's best salespeople ask questions. They know how to interview their prospects.
  - There are four types of questions that need to be asked in certain ways and at certain points in the selling process.
  - It is a consultative selling style versus what we have been taught: make a presentation, probe for need, trial close, handle objections, and then close, close, close.

### ***The Advising Process***

- Why do I use the word *adviser* instead of *closer*? Because there is one major difference between my closer and everyone else's. My closer doesn't *ask* for the sale: she *tells*.
- Prospects do not want to be *asked*, they want to be *told* which contradicts most training courses that teach participants to "ask for the business."
- As long as there is good trust and rapport, and as long as the selling stage did in fact uncover that your solution will benefit the prospect, then your prospect wants his trusted advisor to advise him.
- *Telling* a prospect what you believe to be the right move for him rather than *asking* him what he wants to do is simply an extension of the trusted adviser relationship and it is the only logical conclusion to the adviser sale.

### ***THE SALES PERSON'S IMMEDIATE MANAGER***

- The greatest impact on an employee's performance – by far – is the relationship with their immediate manager.
- The best sales managers are part salesperson, part disciplinarian, part friend, part boss, part trainer, part mentor and part psychologist. They lead by example.
- Top managers always put their team members ahead of themselves. They know their job is about getting their people to produce. They are not the kind of people who need to have all of the good ideas just because they are the manager.
- Although not necessarily demonstrative, they are almost always very passionate about what they do, and they expect 100 percent from the team in return.
- The top sales managers have
  - Empathy
  - Diplomacy
  - Leadership (basically the adviser talent)
  - Amiability
  - Humility and a lack of ego
  - Fearlessness
- The most impacting tool a manager has to work with is behavior analysis – the power of positive, immediate and certain outcomes.
- Goals are overrated as a management tool. Quotas serve to commit salespeople to a "guaranteed" level of productivity, and a pay plan that motivates as much as a pay plan can.
- Goals are personal. Every high achiever reached their goals for their own reasons – not because the manager had a goal discussion with them.
- There is nothing wrong with discussing goals with each salesperson but they should know it's just a talk, not something that is enforced or even necessarily expected. The only thing that is enforced is quota.

### **Change**

- People like to say change is scary, that most people fear and resist change. This is absolutely not true. People fear the unknown.
- Keep your people informed. Let them know why you are doing things, involve them in planning it, get their buy-in. Not only will there be no fear, there will be excitement.