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*Cranfield*  
UNIVERSITY  
School of Management

# SALES PERSON PROFILING

IDENTIFYING COMPETENCIES IN  
LIVE SALES INCIDENTS



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**1 Introduction..... 3**

**2 Literature Review..... 5**

2.1 Introduction ..... 5

2.2 Previous Cranfield Research ..... 5

2.3 Literature Review ..... 6

    2.3.1 Sales Perspective ..... 7

    2.3.2 Customer Perspective ..... 12

2.4 Conclusion..... 13

**3 Research Question and Methods..... 15**

**4 Sales Force Analysis..... 17**

4.1 Introduction ..... 17

4.2 Core Processes of the Sales Role ..... 18

    4.2.1 Pre-Meeting Preparation ..... 20

    4.2.2 Behaviour ..... 21

    4.2.3 Listening ..... 23

    4.2.4 Presenting ..... 25

    4.2.5 Selling ..... 28

4.3 Conclusions: How sales people perform in meetings ..... 31

**5 Sales types..... 33**

5.1 Introduction ..... 33

5.2 Five Types of Sales Person ..... 33

    5.2.1 Developers..... 39

    5.2.2 Product Specialists ..... 40

    5.2.3 Market Specialists ..... 41

    5.2.4 Customer Managers ..... 42

    5.2.5 Master Salespeople..... 44

5.3 Summary ..... 46

    5.3.1 Limitations of the research ..... 47

**6 Conclusions..... 48**

**7 References ..... 50**

**8 Appendix 1: Aspects and Dimensions of Sales 52**

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# 1 Introduction

This research forms the first part of an ongoing investigation into the personality and skills profiles of sales people. This will encompass a number of reports covering both in-depth case studies on personality profiles and cross industry investigations about skill sets.

This first report provides a comparison between regular sales force and account managers. Conducted across 24 companies and encompassing 306 sales people, this study provides an in-depth analysis of live sales situations in which an observer is able to study first hand the sales person at work. The same methodology is currently being conducted with nearly 300 account managers and we hope to be providing the second report later in the year.

To date there has been only a limited amount of research into sales person skills and competencies and this work is aimed at addressing this lack of study. We identify 5 key aspects of high performance sales and test these through a series of 28 dimensions (Appendix 1). We then analyse the extent to which sales people satisfactorily match these dimensions in live sales meetings with real customers. The data was collected by a sales consultancy which has 7 trained observers who use a scorecard of over 150 data points to record sales peoples' actions.

Analysing this data, we find that sales people perform noticeably better against some of these dimensions than against others. In particular, they have a serious weakness in their ability to listen to their customers, understand their problems and use this to leverage their sales. This is a striking finding, as these relationship-building dimensions are considered to be an increasingly important part of the business-to-business sales role.

In a second part to the analysis we look at the types of individuals and group them based on their competency in the 28 dimensions. This provides us with 5 groups of sales people with differing competency levels. One group has a high competency to listen to their customers, and this group performs far better across all of the other dimensions than their compatriots. This finding explains why companies are increasingly interested in relationship-based selling and account management techniques, rather than the traditional 'hard sell'. It also leads us to conclude that many sales people are underperforming because they have not been trained to listen and process client concerns and translate these into strong value propositions which are customised to their clients.

## **2 Literature Review**

### **2.1 Introduction**

In this chapter we search key sales literature from both the sales person and customer perspective to identify key criteria which enhance sales performance. Five aspects are identified: pre-meeting preparation, presentation, behaviour, listening, and selling.

Overall, we find that sales people tend to focus on pre-meeting preparation and behaviour to enhance sales, whereas customers would prefer the focus to be on listening and presenting as the traits they like to see in sales.

### **2.2 Previous Cranfield Research**

Recent Cranfield research<sup>1</sup> investigated what traits made a top performing key account manager. In this study we identified a number of key characteristics of high performing KAM managers (figure 1).

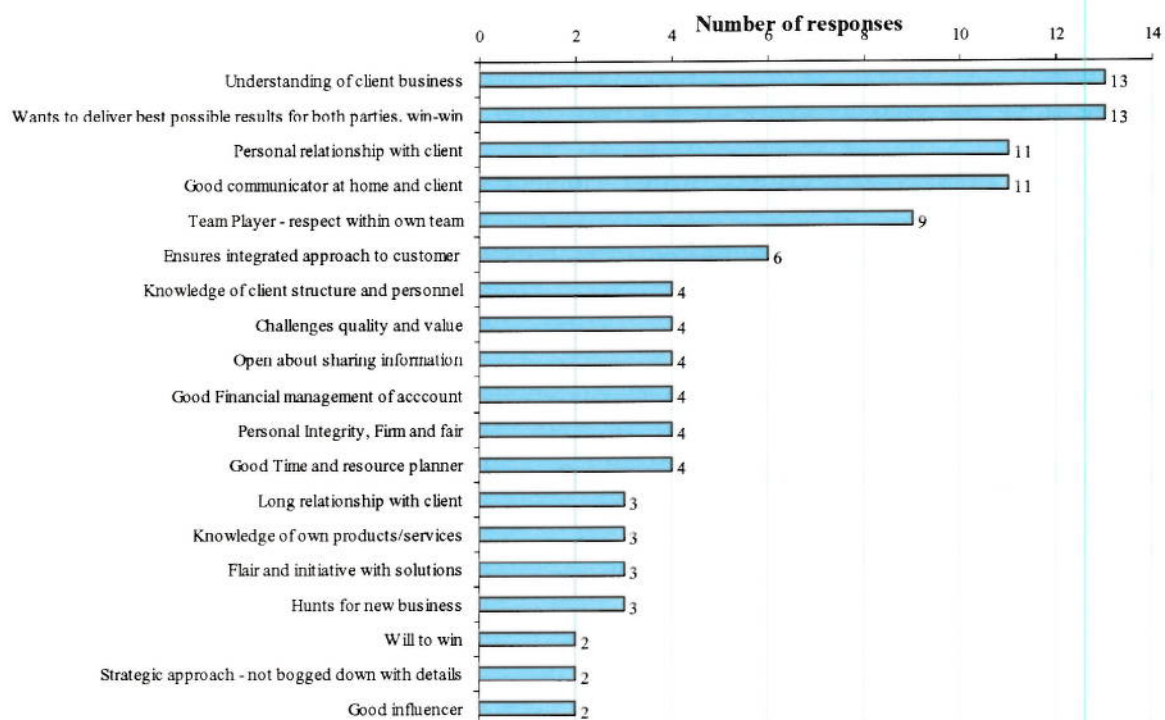
By quite some way, “understanding of clients business”, “wanting the best possible results for both parties”, “personal relationship with the client” and “good communicator internally with the client” came out as the key characteristics of a great KAM manager.

Conversely, the difference between good and poor key account managers was not concerned with hard factors such as basic sales and customer management skills like negotiation,

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<sup>1</sup> Our turquoise report “Managing KAM Relationships” (2005) by Ryals, Bruce and McDonald.

financial management and sales closing, but with soft factors such as personality, intelligence, personal motivation and experience.



**Figure 1: Characteristics of high performing Key Account Managers**

This raises the question; whether a similar set of skills characterise a good sales person, and whether good sales people have different sales skills profiles to good key account managers? In this report we investigate live sales situations to identify the types of sales people and sales approaches used.

### 2.3 Literature Review

“The job of sales has never been tougher as customers become increasingly sophisticated and demanding and the line separating products, services, and "solutions" blur. To find out how sales is doing in this complicated environment, Harvard Business Review conducted the Forum Sales Effectiveness Study, in which they interviewed 111 senior sales executives in 96 major corporations across 17 industries around the world. In general, the executives were underwhelmed by their sales forces' performance” (Atkinson and Koprowski, 2006, p22).



Atkinson and Koprowski's findings indicate the urgent need for research to suggest what can be done to improve sales performance.

Previous research into sales performance has covered a wide array of models and systems for analysing the salesperson and their personality. Until the mid-90's, research focused on experience and history, skill and knowledge as the key drivers of sales performance (Adler 1994). Evidence is growing however, that some personality attributes correlate to sales success. In particular sociability, drive for competence, emotional stability / optimistic outlook, empathy and imagination, personal control and a "can do" mentality (Adler, 1994). In this report we will focus on what make a salesperson perform better in "live" sales situations.

We examine this issue from two perspectives:

- Sales Perspective
- Customer Perspective

### **2.3.1 Sales Perspective**

A number of previous studies have provided insights into the skills required by sales people by asking salespeople or based on their own sales experience. These provide a valuable source for understanding what sales people believe makes them successful in the live sales situation.

There are five recent major studies which find surprisingly similar results:

- Allen (2006) – research into sales performance identified 2 important traits
  - setting an agenda
  - setting objectives

- Jaramillo and Marshall (2004) – investigation which found 5 key techniques:
  - examine records
  - have statements of reference (referrals)
  - use customer-friendly language
  - be knowledgeable about products
  - ensure post purchase satisfaction
- Mayer and Greenberg (2006) – research finding 2 key sales competencies:
  - empathy and
  - ego drive
- Kennedy (2006) – research finding 3 key competencies:
  - persistence
  - honesty and
  - customer focus
- Hodge and Schachter (2006) - 8 tips to selling to the top/experts:
  1. Get a referral: Executives overwhelmingly named internal and external referrals as the best and only reliable method for getting a first meeting.
  2. Smarten up: Know about your customer's financial and strategic issues prior to that first meeting.
  3. Be optimistic.
  4. Be direct.
  5. Be credible in 12 minutes or less.
  6. Demonstrate honesty and integrity.
  7. Market accountability.
  8. Be a problem solver: Executives said they want salespeople who take creative initiatives to find satisfactory solutions to their issues.

All these studies are from the salespersons' perspective and some are based on experience rather than research. However they provide a concise starting point for understanding the important aspects of the sales meeting.

We can group these skills, techniques and competencies into 5 categories for understanding the literature:

- Pre-meeting
- Presentation
- Behaviour
- Listening
- Selling

**Pre-meeting** – This denotes being appropriately prepared before entering a sales situation. Jaramillo and Marshall (2004) refer to examining records at the prospecting stage of the selling process, which is very much in line with Hodge and Schachter's (2006) 'smartening up'. Kennedy (2006) also refers to gaining a good knowledge of both the customer and the products in his "persistence" dimension. So, being informed and knowledgeable about the supplier's products and the customers' positions are important for both sales and KAM, as found previously by Adler (1994) and in previous Cranfield research.

On top of this, however, Allen (2006) states that objective and agenda setting is essential in increasing sales peoples' productivity. Clearly, the sales person needs an understanding of what he or she aims to get out of the sales meeting before entering the sales situation.

Included within pre-meeting preparation we also have to take account of personal presentation. Since the salesperson is representing the company, the way they look should similarly represent the company's values.

Being prepared and properly presented is therefore vitally important to success in the sales meeting and should be a good indicator of sales performance.

**Presenting** - Mayer and Greenberg (2006) refer to ego drive, the personal desire and need to make the sale – “not because of the money to be gained, but because the salesperson feels he has to” (p.164). This drive is part of how the salesperson comes across during the presentation stage. Hodge and Schachter (2006) refer to this as being optimistic, direct and credible. All of these come out of the individuals' ability to present themselves and their company.

Jaramillo and Marshall (2004) identify using customer friendly language during the sales presentation, being knowledgeable of the benefits of the products, and being able to clarify the products' benefits, as key competencies in sales presentations. Therefore, knowledge and experience in presenting should have a significant impact on sales performance.

**Behaviour** - Hodge and Schachter (2006) refer to honesty and integrity and market accountability as core traits in good salespeople. Kennedy (2006) expands on this by stating “Contrary to popular belief, true sales professionals are honest to a fault. We never tell lies, twist facts or embellish details to win a sale. Why? Because we realize that doing so not only is unethical, it also is incredibly short-sighted” (p.32).

Politeness and good behaviour is part of developing a relationship with a customer. We discuss this more in the customer perspective below, but good sales people are aware of the issues surrounding integrity and the impact this can have on sales and KAM performance.

**Listening** - Mayer and Greenberg (2006) talk about having empathy with the client, and Kennedy (2006) refers to having a customer focus. Hodge and Schachter (2006) state that being a problem solver for the client is important. Although not explicitly identified, all of these factors share one thing in common. If you don't listen to the client, you don't know how to help them. Listening skills are a prerequisite for empathy, customer focus and problem solving.

Listening, processing and providing a solution with your product is essential to a the successful sales meeting. Failing to take account of the customer or to adapt presentations to their language and to meet their objectives, will probably lead to failure.

**Selling** – Kennedy refers to persistence but writes - “As legendary sales trainer Tom Hopkins puts it, you have to “follow up, follow up, follow up until they buy or die” (p.32). As well as closing the sale and persistence, the selling element of the sales meeting also encompasses “being a problem solver” Hodge and Schachter (2006), who show that offering a creative or a tailored solution on the spot is an important facet of the process for customers.

Selling (that is, actually getting the order) is the major objective of being in sales, but to get to that point the other hurdles in this list of competencies must be achieved. Selling however is also a separate competency that must be developed and utilised appropriately. Not being a pest, offering appropriate solutions and meeting both parties objectives

### 2.3.2 Customer Perspective

There has been relatively little research into customers' perceptions of sales people. However, the few studies that exist provide an interesting insight into the sales process and need to be considered when undertaking sales performance research.

Flynn and Murray (1993) found that sales forces were often letting companies down. They found that a poor sales person could deter a customer from purchasing a product, even if it was the superior product on the market. This study shows why it is important to consider the sale process from the customer perspective.

Three major studies into the customer's perception of sales identified the aspects mentioned above, but they had different importance weighting from the customer's point of view. In particular, they identify 3 of the aspects as most important to the customer:

- Presenting (includes some pre-meeting)
- Behaviour
- Listening

**Presenting (includes some pre-meeting preparation)** - Flynn and Murray (1993) found sales people were expected to have a "unique breadth and knowledge of the products they sell" (p. 22) and prove their competence in meetings. Kreindler and Rajguru (2006) also found that customers put salespeople's "subject matter and solution expertise" at the top of their list of important qualities. However, from the customer's point of view, the greatest need for improvement is in the salesperson's knowledge of the customer's business and industry (Kreindler and Rajguru, 2006). Presenting, therefore, is more about proving knowledge and

establishing the sales person as an expert, as this gains greater trust, rather than about selling a product.

**Behaviour** - Flynn and Murray (1993) found credibility and integrity over the long term was what was important to customers. Without building trust and respect a sales person will not be as successful. Customers exhibit an innate wariness about meeting new sales people. Therefore, acting with integrity over a long period of time has significant influence with customers.

**Listening** - Aggarwal et al. (2005) indicate a strong positive relationship between empathy and the following: salesperson listening, trust in the salesperson, and satisfaction with the salesperson. Also, listening is positively related to buyer's trust in and satisfaction with the salesperson, but not with future interaction expectations. Trust in, and satisfaction with, the salesperson were positively related to future interaction expectations. As such, listening is a far greater issue than the sales perspective gives it credit for, yet it is never explicitly discussed by sales researchers.

## **2.4 Conclusion**

In the literature from both the salesperson and customer perspective we see five aspects which are important in improving sales performance:

- Pre-meeting preparation
- Presentation skills (especially in relation to knowledge of markets, products and other expertise)
- Behaviour (such as integrity)

- Listening to the client and understanding how their problems relate to the product or service solutions
- Selling through persistence and integrating all of the above.

What we find is that the customer perspective puts more focus on listening, behaviour and presentation whereas the sales perspective focuses on the pre-meeting and behaviour as most important.



### **3 Research Question and Methods**

This research aims to identify what skills and competency sales people exhibit in relation to the 5 aspects of the sales process listed above.

This information has been collected by a sales consultancy over a period of several years through the observation of live sales situations using a scorecard with 28 dimensions (see appendix 1) and over 150 observation points over 1 hour sales interactions with real customers.

The observations were conducted by 7 trained scorecard specialists, using techniques of direct observation of the sales meeting and questioning after the event.

In total, 306 sales people across 18 organisations in a range of industries from banking to heavy manufacturing have been observed to provide this data set.

The data has been analysed in two ways. The first is to investigate the range of individuals across each of the 5 aspects of sales. The second is to produce a cluster analysis of the data to seek out specific types of sales people within the data set.

Cluster analysis was carried out on the sub-dimensions as listed in appendix 1 according to the K-Means method using Euclidean distance (MacQueen 1967, SPSS 1999). Cluster analysis is a technique for grouping cases (in this case individuals) into groups that are similar according to the attributes of interest (here, the activities being undertaken in the sales incident), while differing from others on these attributes. K-Means is the most popular method of clustering in marketing and is especially useful when dealing with large data sets

(Dillon, 1994; Wendel and Kamakura, 2000). Therefore, K-means was selected over hierarchical methods due to its applicability and the sample size in this research.

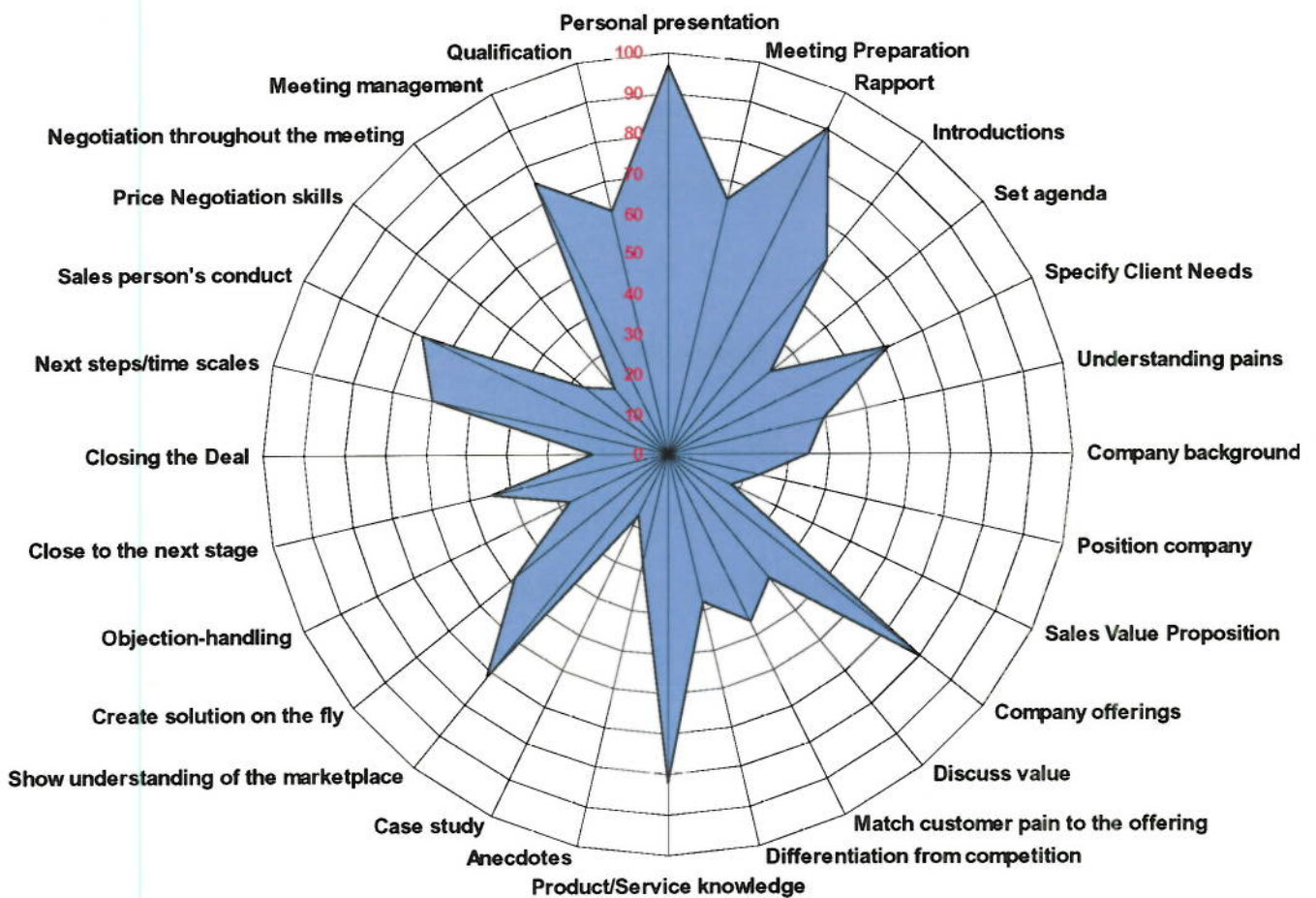
In contrast to hierarchical cluster analysis, K-Means requires predetermination of the number of clusters. As this research is exploratory and inductive, the number and characteristics of the groups were not known prior to the analysis. Thus, a method of identifying the number of clusters was required. In tests of thirty methods for identifying the number of clusters in a population, Milligan and Cooper (1985) identified three methods that proved significantly more robust than the others: the cubic clustering criteria, pseudo-f and pseudo-t. Pseudo t cannot be conducted on a K-Means cluster and the clustering criterion produced many possible clustering solutions. As such the pseudo-f methodology was used. Clustering simulations were therefore carried out with two to twelve clusters and the pseudo-f generated for each. A large increase in this measure at the five cluster level suggested the suitability of a five cluster solution.

## 4 Sales Force Analysis

### 4.1 Introduction

Sales has never been an easy job, and it has become tougher over the past few years. This is especially the case in business to business selling, where customer relationships are now too complex and customers too sophisticated for traditional “hard-selling” techniques to produce good results. This observation is supported by the data, where we see persuasive evidence that softer relationship building competencies are more prominent than traditional selling skills in the observed client interactions (figure 2).

**Figure 2: Prevalence of Sales Competencies in Client Interactions**



Although traditional selling skills such as product or service knowledge and company offerings are still important, there is also an emphasis on relationship building skills such as personal presentation, building rapport with clients, and knowledge of the customer and marketplace also scored highly with most sales people. Thus, the data suggest that the essential skills of these sales people include considerable relationship competencies. The more traditional skills such as negotiation and price negotiation, setting the sales value proposition, using anecdotes and case studies to enhance the sales appeal, and closing the deal, are of little prominence in the observed client interactions.

These latter skills form the majority of what has traditionally been perceived as the domain of sales – negotiate a contract, set a price, encourage the sale, and close the deal. However, the data suggest that business to business selling is moving towards building a relationship, as with Key Account Management, than simply the act of selling. It appears that the relationship-building processes is becoming central to the sales role.

## ***4.2 Core Processes of the Sales Role***

In the observed sales meetings, negotiation and closing the deal is a less important dimension. In contrast, we find a proliferation of relationship building such as rapport building, preparation, meeting management and personal presentation. In this section we examine the sales role, looking at each of the observed dimensions and how they relate to the sales meeting.

The dimensions (in figure 2) are grouped into the 5 aspects of a sale meetings, table 1 provides a summary of the average scores in each of these aspects:

<b>Aspect</b>	<b>Average Score</b>
1. Pre-meeting	62%
2. Behaviour	74%
3. Listening	46%
4. Presenting	46%
5. Selling	37%
<b>Average Score</b>	<b>50%</b>

Table 1: average score by aspect

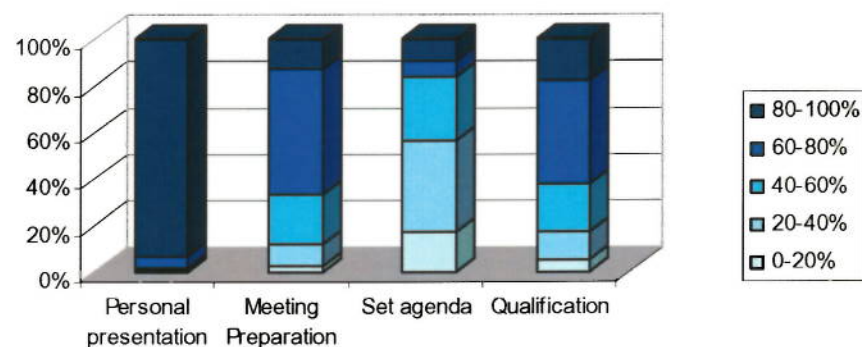
Table 1 indicates that the sales people perform better in the pre-meeting and behaviour scores than in listening, presenting and selling. Surprisingly, the sales people underperform in the listening, presenting and selling, dimensions, all of which are key to successful selling. In the following sections, we will analyse each of these aspects in turn to identify the dimensions that are measured to produce this score, in an attempt to understand the poor performance in some of the key areas.

### 4.2.1 Pre-Meeting Preparation

The pre-meeting preparation score is calculated as an average of 4 dimensions:

- **Personal Presentation** – covering appearance and demeanour
- **Meeting Preparation** – including objective setting, prior research and tailoring presentations
- **Set Agenda** – including setting a logical flow and introducing appropriate objectives
- **Qualification** – including whether decision-makers are in the room, are customer budgets set and does the offering match the customer needs (Figure 3).

**Figure 3: Scores for the Dimensions of Pre-meeting Preparation**



As Figure 3 shows, personal presentation is the key factor in the high scores in pre-meeting preparation. Nearly all observed sales people have taken care of their appearance; not surprisingly, personal presentation is perceived as an important issue for sales people.

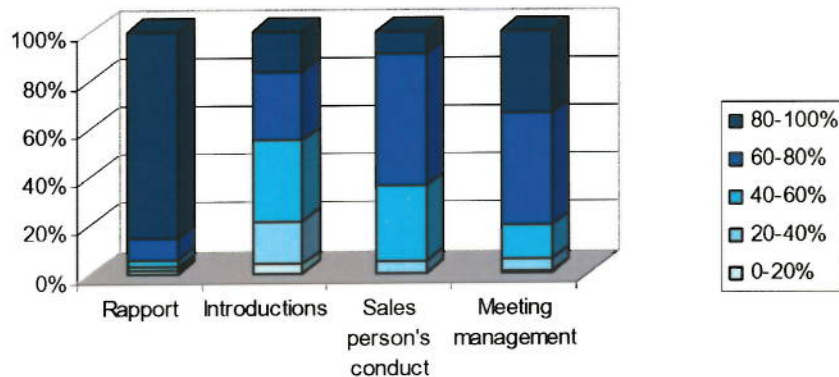
Meeting preparation and qualification are also relatively high scoring dimensions with most sales people scoring above average and very few scoring the lowest scoring grades. However, it appears that the sales people are only average at setting an appropriate agenda, which may explain later problems with achieving the objectives of the meeting.

## 4.2.2 Behaviour

Behaviour is a function of 4 dimensions based around the personal behaviour of the sales person in relation to the client, evaluated in terms of rapport, empathy and use of appropriate and persuasive body language. The 4 dimensions included are:

- **Rapport Building** – including relaxation, small talk and confidence
- **Introductions** - including introducing themselves and colleagues appropriately and raising the topics for discussion / objectives of the client
- **Sales Person's Conduct** – including body language, eye contact, passion and consideration
- **Meeting Management** – including timekeeping, level of engagement, control and maintaining flow

**Figure 4: Scores for the Dimensions of Behaviour**



Overall, behaviour is the highest scoring competency group for the participants. In particular, rapport building – which is seen as an essential part of most meetings - is undertaken successfully by most participants (Figure 4). The other 3 dimensions all score slightly above average, with meeting management in particular a high-performing dimension. The observed

sales person behaviour is generally good; it is probable that sales person behaviour is an important process.

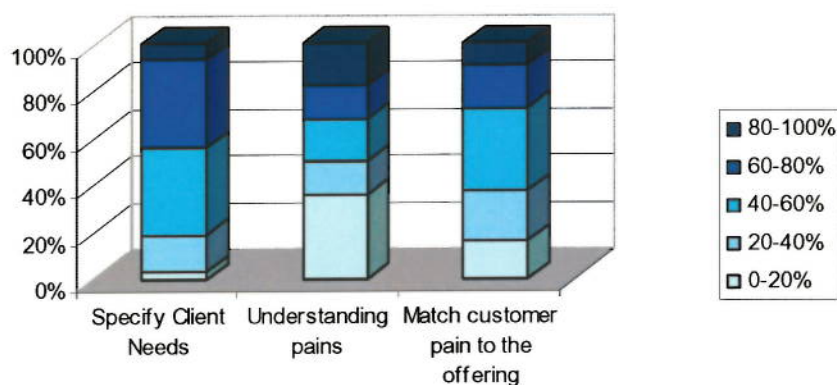


### 4.2.3 Listening

Listening is a function of three of the observed dimensions. It relates specifically to the extent to which a sales person understands what a client wants / problems they have (their ‘pains’), and expressing how the sales offering can assist the client with this. Thus, the listening dimensions are:

- **Specifying the Clients Needs** - including asking questions about the situation, understanding this information as regards timeliness, budgets, competition and objectives and processing this information to assist in the sales presentation
- **Understanding Pains** – including identifying pains (issues or problems or a strategic nature), cost associated with that and identifying options for relieving the pain
- **Match Customer Pains to Offering** – including whether the sales person is able to match pains to the offering, whether the solution is appropriate and logical and did they miss anything important

Figure 5: Scores for the Dimensions of Listening



Listening scores are not as high as the behaviour or pre-meeting scores (figure 5), indicating lower levels of listening ability in many of the test participants. In particular, it is noteworthy that few of the sales people score in the highest score band for listening. Although performing reasonably well on identifying and specifying the client needs, the sales people

are relatively poor at understanding the effects of these problems and this goes on to produce only a moderate level of ability in matching the needs to the offerings. As we will see in the next section the salespeople tend to understand their own products well, but fail to demonstrate how the products or services on offer would assist the clients and this could be seen as a major failing in many of the sales meetings.

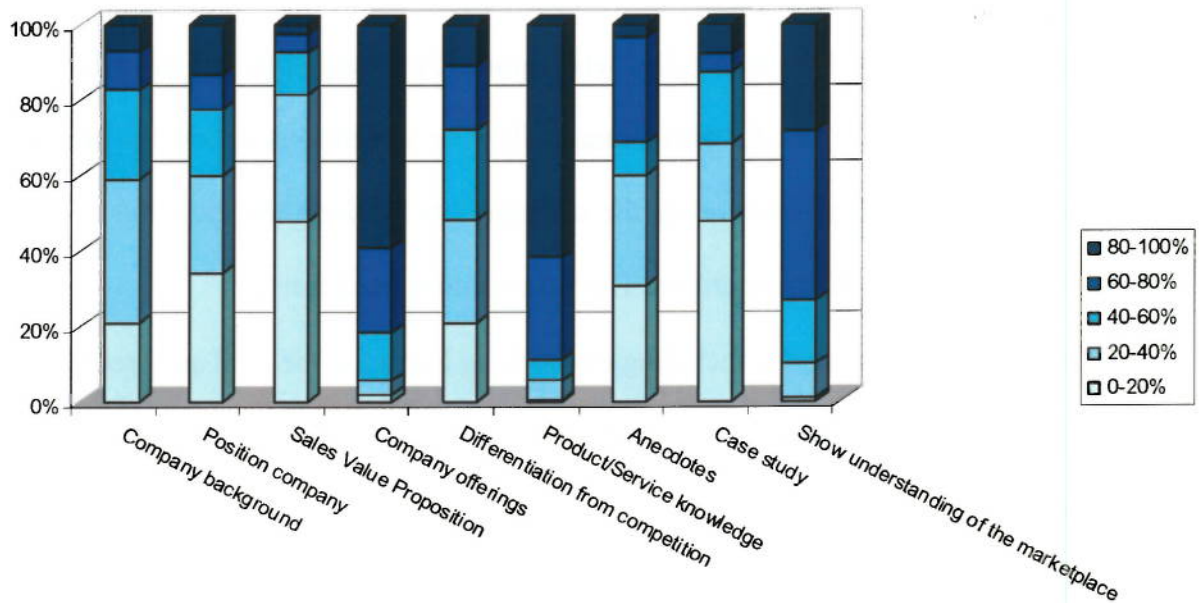
The research shows that sales peoples' listening ability is moderate at best and their ability to gain an appropriate level of understanding of the client and their issues is similarly poor. The consequence of poor listening ability in the sales meeting is that clients may feel that sales people do not know sufficient about the issues at hand to be able to suggest appropriate solutions. This is a major failing as it will impact upon client trust and confidence. Encouraging sales people to listen more intently and gain a better understanding may therefore assist in the later selling dimensions.

#### 4.2.4 Presenting

Presenting is seen as one of the major skill sets required by sales people and as such 9 of the 28 dimensions are used to test for presenting skills. The dimensions to test for presenting skills predominantly involve positioning the company, its products and how this relates to both the marketplace and the competition. The 9 dimensions used are:

- **Company Background** - including establishing history in the field and credibility
- **Positioning the Company** - including the companies strategy, main objectives of the companies products and why this position is relevant
- **Sales Value Proposition** - including what the SVP is, why other customer buy into this and expected ROI
- **Company Offerings** – including mapping offerings to pains, relevant areas of the offering to the client and explaining the offering in plain language
- **Differentiation from the competition** - including asking about client experiences with the competition, knowledge of competitor offerings and identifying the unique selling point
- **Product or Service Knowledge** – including knowledge of specifications, processes and dynamics of implementation
- **Anecdotes** – demonstrating similar client experiences, testimonials and client listings
- **Case Studies** – including detailed client engagements and impressing the client with relevant and interesting stories
- **Show Understanding of the Marketplace** - including understanding the clients opportunities and threats and demonstrating their knowledge and experience in the specific market

**Figure 6: Scores for the Dimensions of Presenting Skills**



The sales people are clearly been well trained in their company offerings and its product and services. There is also a high propensity to demonstrate broader market knowledge.

However, the persuasive skills of the sales people are considerably less strong. As Figure 6 shows, there are weaknesses in providing a solid value proposition and positioning the company’s ability to solve the client’s problems. These weaknesses could stem from the salespersons’ lack of listening ability, identified above, causing them to fail at appropriately positioning the company and its products.

Most of the participants fail to expand on their company’s differentiation from the competition. They therefore run the danger of giving the impression of selling commodity style products. This is a major issue considering how poor the sales people are at price negotiation, as we will see below.

In particular, the sales people failed to make use of the opportunity to tell stories (case studies) and anecdotes to assist in sales. Not only does this lead to the client failing to grasp the company's level of experience, but it also reduces understanding of the added value of the company's products over the competition which can be demonstrated through success with other customers.

The importance of presentation skills in sales is well understood. However, the deep analysis of different dimensions of presentation skills presented here uncovers areas of poor performance. This, in turn, raises questions about the training sales people are receiving and the effectiveness of the sales force in optimising their performance.

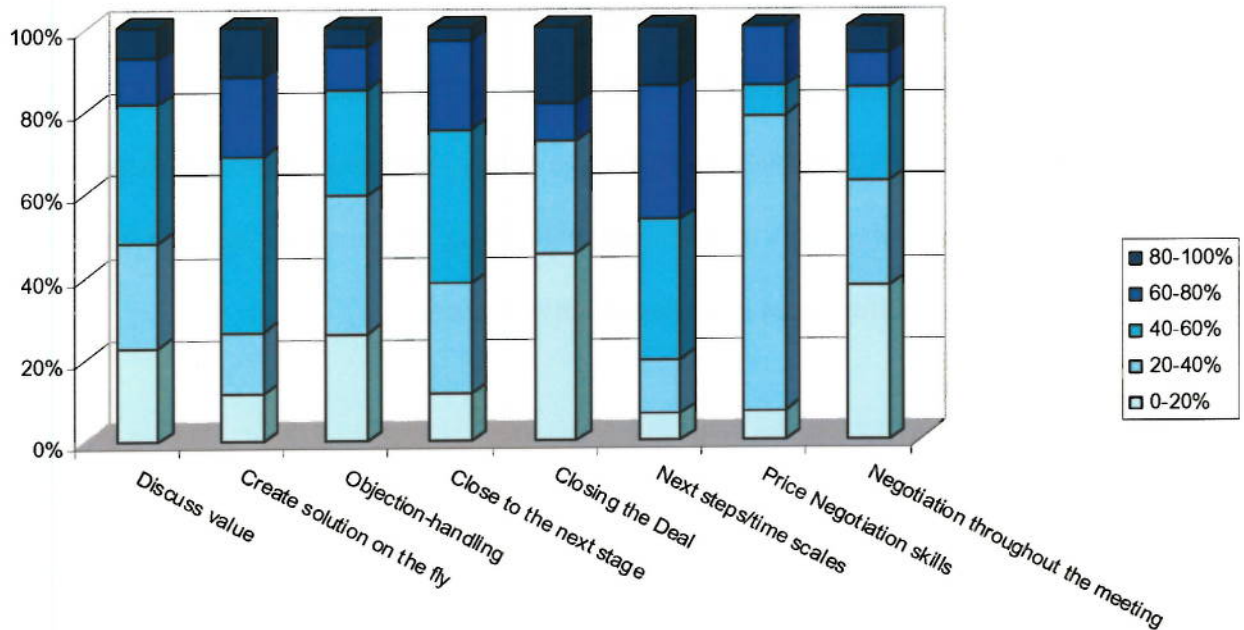
## 4.2.5 Selling

Selling or closing the deal should be the principal objective of sales people. In the observed sales meetings only 11 out of the 306 sales incidents led to a closed sale, although there is a further measure - closed to the next stage - for which 207 further incidents partially met objectives. 8 dimensions are used to measure this vital aspect of selling from its various perspectives:

- **Discuss Value** – including cost benefit analysis, stating of appropriate prices, selling the value of products or services and justifying price
- **Create Solution on the Fly** – including thinking on their feet, creative solutions, whether solutions met client needs and whether these solutions make commercial sense
- **Objection Handling** - including providing compelling reasoning, comparative value and using client needs as justification
- **Close to Next Stage** - including providing a summary of actions, maintaining control of the discussion, getting a commitment to a next stage and revisiting product benefits to ensure this
- **Closing the Deal** – including providing an appropriate close, reading the buying signals and reiterating product benefits
- **Next Steps / Time Scales** – including working with clients on the next steps, discussing timescales, listening to client concerns and create a sense of urgency
- **Price Negotiation Skills** - including comfort level with negotiation style and pleasing the prospect with the offering

- **Negotiation Throughout the Meeting** – including maintaining control of discussions, keeping the prospect comfortable and identifying if the sales person got benefits from any concessions made

**Figure 7: Scores for the Dimensions of Selling Skills**



Interestingly, analysed in this detailed fashion, selling skills are in generally rather poor across the participants. Lack of comfort with price negotiation, and failure to discuss value, leads to a lack of strong positioning for moving the sale to a close. Creating alternative solutions and encouraging next steps both performed reasonably, but again poor objection handling moves more power and control over to the customer. The data suggests that the sales people are not particularly comfortable with the harder end of sales, and especially the negotiation dimension, tending to giving way to client demands.

Again we see a failing on the dimensions that required the earlier listening competencies. Objection handling, discussing the value of the products to the client and creating solutions on the fly would all require the salesperson to understand their client. As we saw earlier the salespeople do not understand their client because they don't listen to them. Gaining

confidence from them based on expertise and knowledge is therefore lost and clients may feel alienated.

The analysis shows that about two-thirds of the observed sales meetings resulted either in a closed sale or in progression to the next step. This is an interesting finding, as it raises the question of what the expected level of performance is. These data suggests that one third of sales meetings bring no tangible benefit for the selling company. Although there could be intangible benefits in the form of relationship building, the analysis suggests that a large portion of sales expenditure goes into unproductive meetings.



### ***4.3 Conclusions: How sales people perform in meetings***

This research shows that sales people look good and behave well in sales situations. They are good at small talk and building a rapport. They have also been well taught about their products and company offerings, and have a reasonable knowledge of the market place.

However, sales people may not listen well to their clients and are particularly poor at building an understanding of the pains (problems or issues) that the products the sales person is selling should be able to rectify. It seems that they begin to flounder as the meeting moves along to positioning the company and their products and they therefore fail to make the most of the product / service knowledge they have.

Moreover, salespeople can fail to position themselves based on experience, believing that the products should sell themselves. This is rarely the case and salespeople should be using case studies and anecdotes to gain client trust.

These failures in the earlier part of the meeting then makes closing a deal or closing to the next stage difficult as they have not yet won over the client. To compound this, they lack negotiation skills. Overall, therefore, a substantial proportion of sales meetings fail to result in an optimum performance or closure.

In summary, it is appropriate to reassess the sales role from traditional sales to relationship building. This may have some consequences for the way that sales people are trained, which we have outlined above. In particular, sales people who are to build relationships with their customers need to be trained in listening skills and in selling through creating value

propositions that are relevant to the customer's needs, and through the use of case studies and examples.

Our analysis also has consequences for companies looking to identify people with the appropriate skills for relationship selling situation. We move on to discuss this in the next chapter as we attempt to identify the different types of individuals acting in these sales positions.

## **5 Sales types**

### **5.1 Introduction**

In this chapter we go on to investigate the different types of individuals working in the sales arena. This is part of the process of identifying the key skills different people have in relation to the critical sales dimensions covered in this study.

Through a cluster analysis of the data we are able to identify 5 principle types of sales person and the characteristics they exhibit. This leads us to suggest the types of individuals that would be best suited to differing sales situations.

### **5.2 Five Types of Sales Person**

Over the next 3 pages the results of the cluster analysis are outlined. The purpose of the cluster analysis is to identify distinct groups within the data which represent a significant divergence in the skills they possessed / demonstrated in the live sales meetings studied. In the tests, 25 of the 28 dimensions proved significant in separating groups (p value to the right – significant if  $p < 0.005$ , Table 2), indicating either low differentiation between groups or insufficient observations being available. However the other dimensions all proved highly significant with low levels of error.

Table 2 represents the levels of significance and the levels of error in each of the dimensions. The mean square and the significance both describe fundamentally the same thing, if significance is above 0.005 then there is only low significance to the dimension separating the clusters. Similarly we look for high mean square scores to signify the importance of the dimension in defining a cluster. Degrees of freedom demonstrates the number of individuals

(in the 5<sup>th</sup> column) less the number of assumptions the statistical package had to make in performing a calculation – as such the closer the number is to 306 the better, and more confidence we can have in the result.

Dimension	Cluster		Error		F test	Significance (p)
	Mean Square	Degrees of freedom	Mean Square	Degrees of freedom		
Personal presentation	1.274	4	1.011	302	1.260	.286
Meeting preparation	47.672	4	3.031	302	15.730	.000
Rapport	98.892	4	2.365	302	41.822	.000
introductions	49.589	4	4.038	302	12.281	.000
Set agenda	121.301	4	5.741	280	21.129	.000
Specific client needs	53.593	4	2.839	302	18.879	.000
Understanding pains	46.599	4	6.313	41	7.381	.000
Company background	215.958	4	4.133	273	52.257	.000
Position company	425.995	4	2.859	302	149.001	.000
Sales value proposition	170.378	4	2.680	282	63.584	.000
Company offerings	108.752	4	4.304	302	25.270	.000
Discuss value	141.742	4	5.164	286	27.446	.000
Match customer pain to offering	206.293	4	4.476	290	46.092	.000
Differentiation from competition	129.300	4	6.550	302	19.741	.000
Product service knowledge	119.893	4	3.199	302	37.480	.000
Anecdotes	227.540	4	4.668	284	48.749	.000
Case study	179.705	4	3.726	284	48.227	.000
Show understanding of the marketplace	70.787	4	3.772	286	18.767	.000
Create solution on the fly	162.818	4	5.343	286	30.471	.000
Objection handling	118.918	4	5.068	287	23.465	.000
Close to next stage	108.543	4	4.317	302	25.142	.000
Closing the deal	7.722	4	9.049	23	.853	.506
Next steps timescales	109.383	4	4.536	302	24.113	.000
Sales person conduct	42.944	4	2.162	301	19.861	.000
Price negotiation skills	3.941	4	7.964	20	.495	.740
Negotiation through meeting	51.537	4	5.862	282	8.791	.000
Meeting management	41.523	4	3.180	302	13.059	.000
qualifications	129.029	4	4.927	281	26.189	.000

**Table 2: Significance and degrees of error of dimensions in the cluster analysis**

The graphs on the next page shows the results of the analysis (Figure 8). The data initially appears difficult to interpret due to the volume of data included in the diagram. In principle what is represented is:

- Each bar represents 100% of the individuals who scored on the appropriate category.
- Although originally scored out of 10 (and analysed on that basis) the numbers have been readjusted to scored out of 5 for the benefit of visual representation
- Each bar is then colour coded to represent the percentage of individuals in that cluster scoring:

1	Very Low
2	Low
3	Average
4	High
5	Very High

- The larger the bar of one colour the more consistently that cluster scored in that range

We are able to clearly identify 5 groups which exhibit different skills in relation to the dimensions used for selling. We have named these clusters as: Developer; Product Specialist; Market Specialist; Customer Manager; and Master Salesperson. This chapter discussed each of these groups to gain an understanding of what competencies each has and the areas in which development would be needed to improve their performance.



Table 3 on the next page demonstrates the general skill levels in each of the 28 competencies for each cluster. This has been produced to be a quick reference guide due to the high levels of data in the previous diagram. Due to the need for simplification, rules are set to reformulate the data:

- Since the aim is identifying general trends rather than absolute figures, the following “requirements for ratings” are set. In the instance of “Large Weakness” and “Strength” if the group met either of the two requirements they are rated accordingly (see key below).

<u>Key</u>	Rating	Requirement for rating 1	Requirement for rating 2
	Large Weakness	>70% score 2 or less	>50% score 2 or less <u>AND</u> >85% score 3 or less
	Small Weakness	>50% score 2 or less	
	Reasonable	Does not meet any other criteria	
	Strength	>70% score 4 or more	>50% score 4 or more <u>AND</u> >80% score 3 or more

- These ratings can then be used to identify the traits likely to be found in people falling within one specific group.

Re-analysing and presenting the data in this way enables us to assess the different competencies held by each group (Table 3). We will then move on to discuss each group in turn and investigate the types of individuals within the sales arena.

	Developer	Product Specialist	Market Specialist	Customer Manager	Master Salesperson
Qualification			Red	Green	Green
Meeting management				Green	Green
Negotiation t/o meeting	Red			Red	
Price negotiation	Yellow		Red	Red	Red
Sales person conduct				Green	Green
Next steps / time scales				Green	
Closing the deal	Red			Yellow	Red
Closing to next stage	Red	Yellow			Green
Objection handling	Red	Red	Red	Yellow	
Create solution on the fly			Green		
Understanding of mktpl.		Green	Green	Green	Green
Case study	Red		Yellow	Red	
Anecdotes	Red	Green	Green	Red	
Product/service knowledge	Green	Green	Yellow	Green	Green
Differentiation from comp.	Red	Red	Green	Yellow	Green
Match customer Pains	Red	Yellow	Yellow		Green
Discuss value	Red	Yellow	Yellow		Green
Company offerings	Green	Green		Green	Green
Sales value proposition	Red	Red		Red	
Position company	Red	Red	Green	Red	Green
Company background	Red		Green	Red	Green
Understanding pains	Red	Red	Red		Green
Specify client needs					Green
Set agenda	Red	Red	Green	Yellow	
Introduction			Green		Green
Rapport	Green	Green	Yellow	Green	Green
Meeting preparation				Green	Green
Personal presentation	Green	Green	Green	Green	Green

**Table 3: Simplified competency chart across the clusters**



### 5.2.1 Developers

Developers are one of the largest groups within a sales force, but lack many of the skills required.

	Number	Percentage of sample
Developers	109	36%

The results suggest that Developers are new to sales and not yet accomplished in the appropriate skill sets.

Developers are identifiable due to their strong scores in a limited number of competencies but with a serious lack of strength in other areas (Table 4):

Strengths	Weaknesses	Large Weakness
Personal Presentation Rapport Company Offerings Product / Service Knowledge	Price Negotiation	Set Agenda Understanding Pains Company Background Position Company Sales Value Proposition Discuss Value Match Customer Pain to the offering Differentiation from Competition Anecdotes Case Study Objection Handling Negotiation Throughout Meeting

**Table 4: Traits of a Developer**

Developers typify the results as discussed in the last chapter. They look good, are sociable and therefore build a good rapport with the customer, and have been able to grasp the product lines they sell well. However, they are comparatively poor when it comes to managing the customer's needs and selling the company. These are individuals that need advanced training. They should probably not deal with strategically important accounts.

## 5.2.2 Product Specialists

Product Specialists are identifiable due to

extremely strong scores in relation to company

based competencies but lack important skills in the selling part of their role (Table 5):

	Number	Percentage of sample
Product Specialist	43	14%

Strengths	Weaknesses	Large Weakness
Personal Presentation Rapport Company Offerings Product / Service Knowledge Anecdotes Show Understanding of the Market Place	Price Negotiation Discuss Value Match Customer Pain to the offering	Set Agenda Understanding Pains Position Company Sales Value Proposition Differentiation from Competition Objection Handling

**Table 5: Traits of a Product Specialist**

The relationship between Developers and Product Specialist could indicate that Product Specialists are Developers who have either specialised in the products or have begun to learn more about their role as a salesperson.

Once again the Product Specialist is poor at listening and therefore fails to match the customers' pains to the product offerings. However they do have sufficient product knowledge to begin to use presentation skills such as anecdotes to enhance the appeal of the product offerings. If they could be trained to set agendas and to listen more to the client they could become effective salespeople and offer a substantial benefit to the company.

Product Specialists in their current state should be considered a valuable part of a sales team but observed and assisted in their own accounts. They may also be useful technical or product advisors on a KAM team, although they should probably not be the key account manager.

### 5.2.3 Market Specialists

Market Specialists have sound knowledge of the market and how to position the company, indicating these are true salespeople, although they may not necessarily know the products to a high technical specification

	Number	Percentage of sample
Market Specialist	15	5%

Market Specialists are identifiable due to very strong scores in relation to market knowledge and ability to position the company, but have some lack of product knowledge (Table 6):

Strengths	Weaknesses	Large Weakness
Personal Presentation Introductions Anecdotes Set Agenda Position Company Company Background Show Understanding of the Market Place Create Solutions on the Fly Differentiation from Competition	Rapport Discuss Value Match Customer Pain to the offering Case Study Product / Service Knowledge	Understanding Pains Objection Handling Qualification Price Negotiation

**Table 6: Traits of a Market Specialist**

Market Specialists are strong on market knowledge and are therefore well placed for positioning the company. Again they are poor at listening, which needs to be worked on, but they are better-rounded sales people with fewer areas of weakness than Developers or Product Specialists. Their ability to scope the market and create solutions indicates an ability to encourage customer confidence, but lower detailed product knowledge suggests they are either senior employees or senior sales people new to the company. Market specialists could well be account managers for major accounts, although not necessarily for key accounts. In combination with a Product Specialist they could form a strong sales team

### 5.2.4 Customer Managers

Customer Managers have expertise in working with the client; they conduct themselves well, achieve goals in meetings and demonstrate the company well; however, they do not get involved in a “hard sell”.

	Number	Percentage of sample
Customer Manager	103	34%

Customer Managers are identifiable due to their general good conduct, good relationship with a client and general well preparedness, without getting involved in hard selling (Table 7):

Strengths	Weaknesses	Large Weakness
Personal Presentation Meeting Preparation Rapport Company Offerings Product / Service Knowledge Show Understanding of the Market Place Next Steps Sales Person Conduct Meeting Management Qualification	Set Agenda Differentiation from Competition Objection Handling	Price Negotiation Negotiation Throughout Meeting Position Company Company Background Sales Value Proposition Anecdotes Case Study

**Table 7: Traits of a Customer Manager**

In Customer Managers we see a lot of the skills required for Key Account Management. The lack of negotiation and hard selling is indicative of closer relationships with a customer who would not be responsive to an aggressive sales pitch. They build a good relationship and ensure that they and the client have a mutual understanding. Nevertheless, they can be let down by their poor ability to position the company and sell the products.

Customer Managers are predisposed to ensuring a relationship builds and continues but would need someone with better product salesmanship to gain new customers and sell

products. They could manage an established key account that has low growth potential; or they could manage a KAM team that included Product Specialists.

### 5.2.5 Master Salespeople

Master Salespeople have a great number of strengths in relation to sales competency. The more important factor however is their lack of weaknesses making them a safe pair of hands for any organisation

	Number	Percentage of sample
Master Salespeople	37	12%

Master Salespeople are identifiable through their lack of weaknesses. Across the entire cluster, very low scores account for under 5% of the individuals in each competency; and low scores are also rare (Table 8):

Strengths		Large Weakness
Personal Presentation	Match Customer Pain to the offering	Price Negotiation
Meeting Preparation	Differentiation from Competition	
Rapport	Anecdotes	
Introductions	Product / Service Knowledge	
Specify Client Needs	Show Understanding of the Market Place	
Understanding Pains	Close to Next Stage	
Company Background	Sales Person Conduct	
Position Company	Qualification	
Company Offerings		
Discuss Value		
Meeting Management		

**Table 8: Traits of a Master Salesperson**

Master Salespeople are the only group to truly listen, comprehend and make use of, customers concerns and issues. They are not only well presented, sociable and have the product and market knowledge but they can also utilise this to optimal advantage by listening to the customer and matching their knowledge to the customer's problems.

Clearly of great value to any company, Master Salespeople should be considered of paramount importance in dealing with any strategically important clients. They are also the

individuals that should not be lost to the company and also kept in customer facing positions. They are suited to key account manager and global account manager roles, and to the running of KAM teams. However, they should be matched with strategic key accounts, as their negotiation weaknesses will not be suited to key accounts which behave in a more tactical fashion.

### **5.3 Summary**

The nature of the data makes very clear boundaries between groups unlikely. However we have been able to identify 5 distinct groups, the first three of which exhibit specialist skills but generalist weaknesses:

- **Developers** – are reasonable at presenting themselves but have a lot to learn about the sales role
- **Product Specialists** – have good technical knowledge and have reasonable skills across the board. They do, however, suffer from a lack of strength in how to position the company in relation to the market, and in understanding their clients
- **Market Specialists** – understand the market and can position the company appropriately. They have a reasonable level of skill in many competencies but lack some of the key negotiation and product specification skills and for this reason may need to work closely with Product Specialists

These three groups would probably be best served working as part of a larger sales or KAM team to build skills and make the most of their talents. They suffer mostly from a lack of listening and comprehension and therefore fail to capitalise on their knowledge.

The final two groups have good strengths and few weaknesses, demonstrating specific skills for dealing with different sort of clients. They are more likely to be successful as key account managers:



- **Customer Managers** – have similar skills sets to Key Account Managers. They are well prepared, understand the client and conduct themselves appropriately. However, the data indicate that these people are more focused on building the client relationship than hard selling, hence the indication that they could be account managers rather than salespeople.
- **Master Salespeople** – have few weaknesses and a number of strengths making them a well rounded salesperson capable of successfully leading a sales proposal, with the potential to be key account managers or even global account managers.

### 5.3.1 Limitations of the research

In interpreting the cluster groups it should be borne in mind that there will be variations within each cluster and sub-groups may exist. For instance, there could be individuals currently within the Master Salesperson group who could easily surpass the other individuals within the group to form a group of even higher competence.

There is also a possibility that the method of collecting the data may have resulted in certain low scores, such as the negotiation score for the Customer Managers, if they are in a sales situation which is not about negotiation.



## 6 Conclusions

In this study we identify the important aspects of the sales process for improving performance and test to what extent sales-forces have these skills.

Through the literature review we identify that there are five aspects to the sales process which should be identified with superior performance:

- Pre-meeting
- Presentation
- Behaviour
- Listening
- Selling

All of these were identified from both salesperson and customer perspectives, although customers put greater weight on presentation, listening and behaviour than sales people.

In the data we found that sales people are generally proficient at pre-meeting preparation, such as looking the part and doing meeting preparation but not so good at setting objectives and agendas as Allen (2006) would suggest is vital to ensuring sales efficiency.

The sales people also exhibited appropriate behaviour towards their customer. They built a good rapport and acted professionally, which Kreindler and Rajguru, (2006) found to be top of sales peoples priority list when in a meeting.

However customers prefer sales people who listen to them, understand their business, and can use this to demonstrate the benefits of the products they sell - for solving the customers

problems. The data suggests that sales people are not doing this, and predominantly fail to listen. Although they know their own products well, they fail to tailor their presentation to the clients' specifications and score poorly in the presentation and selling aspects.

This failure to listen is carried through into our cluster analysis where we find the Master Salespeople as the only people who have strength in listening and comprehending the client. They then go on to out perform the other 4 groups in nearly all of the other dimensions.

This is not to say that the other salespeople are obsolete. Customer Managers are reasonable listeners and have relatively high scores on non-negotiation based dimensions. They are therefore appropriate for dealing with long term accounts where hard negotiation would be counter productive.

The Market Specialist and the Product Specialist would also be effective as a team with each developing their own specialism. However if they could be trained to listen more they may quickly move up to being Customer Manager or Master Salesperson material.

Developers however are somewhat dangerous to leave alone with clients. Their behaviour and personal presentation is good, but very little else would instil confidence in a customer. However, it is likely that these are new people to the profession, and may develop over time into more productive members of the team.

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## 8 Appendix 1: Aspects and Dimensions of Sales

<b>Aspect</b>	<b>Dimension</b>
1. Pre-meeting	Personal presentation Meeting Preparation Set agenda Qualification
2. Behaviour	Rapport Introductions Sales person's conduct Meeting management
3. Listening	Specify Client Needs Understanding pains Match customer pain to the offering
4. Presenting	Company background Position company Sales Value Proposition Company offerings Differentiation from competition Product/Service knowledge Anecdotes Case study Show understanding of the marketplace
5. Selling	Discuss value Create solution on the fly Objection-handling Close to the next stage Closing the Deal Next steps/time scales Price Negotiation skills Negotiation throughout the meeting