Chapter VIII

Summary and Conclusions

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Chapter VIII
Summary and Conclusions

8.1 Introduction

This chapter summarizes the entire study including the results and then makes important recommendations for practitioners of sales management. The future scope of study is then defined and limitations of research work articulated.

8.2 Summary of findings and conclusions:

Through a rigorous literature review, the study revealed that the business-to-business sales scenario has evolved through time.

The business-to-business environment is undergoing transformation. There have been a humongous and far-reaching changes happening in the market place—right from changing customer needs to digitization to a more “globalized” world to virtualization.

Figure 8.1 Evolving landscape of business-to-business sales
Following are some of the developments:

- With the advent of internet, customers today have much more information than earlier. A click of a button is what it takes to gather information from any part of the world. Supplier organizations are therefore racing ahead to cope up with this challenge by focusing more on customer needs and providing better and better customer experiences. Role of a salesperson is evolving from just a “knowledge-broker” to becoming a consultant, constantly adding value.

- There has been changes in the use of intermediaries between suppliers and customers. Products and services have been redefined and entire value chains have been modified structurally. This has led to new competition in terms of new entrants and substitute products. Market is getting more and more hyper-competitive leading to never known before rivalry levels.

- Business models are changing and some of them are very unconventional. Technology is playing a big part in helping salespeople know more, do faster and keep track better using big data. Reporting to sales supervisors is becoming easier and quicker.

- Customers are becoming more knowledgeable and have now realized that cost of operations is also a major component of cost. They have now shifted their focus on evaluating bids not only on initial cost but also life cycle costs.

- Buying organizations have realized the benefits of agglomeration of suppliers. Lesser wastage of time in follow-up and better bargaining power has promoted organizations to restrict number of supplier. This has an important implication for suppliers, because either they are existing suppliers to an organization or they are the “also-ran”

- Purchasing has become a strategic part of the organization. Buyers now classify suppliers in terms of those supplying routine, commodities which are easily replaceable and those supplying non-replaceable, specialized, bespoke offerings. They factor in risk of changing suppliers also.

- Selling has metamorphosed from merely satisfying needs to co-creating value, working together with customers in helping them understand their real needs and then working on a co-created solution.
This has prompted changed expectations from salespeople and changed sales processes.

Because of advancements in the business-to-business landscape, salespeople are expected to have

- highest degree of product knowledge
- serve with extreme speed (whether pre-sales or post-sales)
- work internally and externally and improve breadth of communication
- work deeper within the buyer organization
- engage the customer during solution creation
- customize their offering by co-creating value
- sell consultatively rather than in a transactional manner

Sales process now has changed from a linear one to a circular one. Seller organizations need to re-visit their customer base and weed out those who need to be removed, work systematically on a defined database, take care of existing customers which they want to retain, solve problems for customers and continuously add value.

From a practitioner’s perspective, sales can be classified into two: the pre-adaptive selling era and the post-adaptive selling era. The pre-adaptive selling era has passed through the Rambo era (push sales), the Nice Guys era (service-oriented sales), the DAPA era (understand customer issues and solve them) and finally the Added value era. A LinkedIn research shows that 57 percent of the journey is already made online before a face-to-face meeting. Thus, social selling is becoming more important.

The post-adaptive selling era works on a premise that there is no one standard selling approach and the approach needs to be adapted to the selling situation and/or customer behaviour.

Depending upon the selling situation, the various approaches of selling can be Assertive selling (Directive), Consultative selling (Shaping the needs of the customer), Relational selling (becoming a caretaker seller) and Expertise selling (becoming an expert seller).

Sales Management also has metamorphosed over period of time. From an era of “Management by objectives”, it moved on to a more participative approach where targets were discussed rather than merely downloaded. Sales supervisors then took a
more active role by breaking the result targets into activities and monitoring, analysing and planning these activities. In the next phase, sales supervisors started looking at sales results, sales activities and also started looking at individual competencies of the sales team to perform the required activities. A coaching culture started building up which emphasized on competency development before setting activity targets and result targets.

Three important metrics to be measured for successful sales management are business results (not manageable), sales objectives (largely unmanageable but heavily influenced) and sales activities (lag indicators).

The sales performance wheel has five spokes which gives it strength. They are alignment between the buying and selling process, the sales strategy, the different sales processes, the sales organizational structure, the sales management system and sales enablement.

There is a wide range of literature has been published in the area of sales management. However, there is not much literature in this field for the Indian scenario. The literature review found that there was no comprehensive study covering the constructs this study aimed at covering. This prompted the researcher to carry out the study.

The four concepts and their interrelationships studied were “sales force control system”, “salesperson goal orientation”, “salesperson adaptive behaviour” and “salesperson performance.”

Salesforce control system as a concept was first defined by Anderson and Oliver (E. Anderson & Oliver, 1987) who defined that there are two types of behaviour for sales supervisors: “outcome based” and “behaviour-based”.

Salesperson goal orientation as a concept was defined by Kohli et al (Kohli et al., 1998) who defined that there are two types of goal orientation for salespeople: “learning orientation” and “performance orientation”.

Salesperson adaptive selling as a concept was first defined by Spiro and Weitz (Spiro Rosann L. & Weitz, 1990) who propounded that different types of customers require different approach and that salespeople need to adapt themselves and their selling style to get better results.
A framework was then constructed to test the interrelations. Eleven hypotheses were then built based on extant literature and practitioner experience. Likert style scales were developed based on the theoretical background and practical experience and reliability testing was done using a pilot study. The pilot study had 50 respondents and the actual study had 350 respondents.

The study conducted was both primary and secondary in nature. Secondary data was from various reputed journals which included

- Journal of personal selling and sales management
- Journal of selling and major account management
- Journal of marketing research
- Journal of selling
- Journal of marketing development and competitiveness
- Harvard Business Review etc.

Most journals were accessed electronically.

Primary data collection was done through a questionnaire which was administered to salespeople. Sales supervisors and their views were not studied as supervisors are not the best people for evaluating themselves (Yammarino & Atwater, 1997).

Pilot test indicated that the Cronbach’s Alpha scores were all found above 70 and therefore the questionnaire was used for further data gathering. Since Cronbach’s Alpha is a characteristic of the test scores and not of the test itself, the questionnaire was again tested for reliability. A confirmatory factor analysis was carried out to verify the scale construction and KMO test and Bartlett’s test of sphericity were carried out.

The findings of the study can be summarized as follows:

- 26.9 percent of the respondents were from organizations having turnover or less than Rs. 250 crores, around 20 percent were from organizations having turnover between Rs. 250 crores and Rs. 500 crores and balance from organizations having turnover over Rs. 500 crores
- 51.1 percent of respondents had an experience of less than 4 years.
• The mean of number of years respondents worked in sales in same organization was 2.53 years with a standard deviation of 1.236.
• 35.4 percent of the respondents had total working experience of less than 6 years. The percentage of respondents having experience more than six years of experience was 64.6 percent.
• 66.3 percent of respondents were engaged in both transactional and complex deal sales, whereas 20 percent of respondents were involved in only transactional sales.

Eleven hypotheses were tested and the results found were as follows:

1. There is no evidence of correlation between sales supervisory end result orientation and salesperson learning orientation
2. There is a positive correlation between sales supervisory end result orientation and salesperson performance orientation
3. There is a positive correlation between sales supervisory activity orientation and salesperson learning orientation
4. There is a positive correlation between sales supervisory activity orientation and salesperson performance orientation
5. There is a positive correlation between sales supervisory coaching orientation and salesperson learning orientation
6. There is no evidence of a correlation between sales supervisory coaching orientation and salesperson performance orientation
7. There is a positive correlation between salesperson adaptive behaviour and salesperson sales performance
8. There is a positive relationship between salesperson learning orientation and sales performance and is stronger for salespeople who exhibit adaptive selling behaviour.
9. There is a positive relationship between salesperson performance orientation and sales performance and is stronger for salespeople who exhibit adaptive selling behaviour.
10. There is no evidence of a correlation between nature of sales and sales supervisory end result orientation
11. There is no evidence of a correlation between nature of sales and sales supervisory activity orientation
Thus, in four of the eleven hypotheses, the null hypotheses were accepted and in the remaining seven hypotheses, the null hypotheses were rejected.

8.3 Recommendations:

The researcher re-imagines the job of a sales supervisor as one which fulfils the following roles:

i. Recruiter
ii. Planner
iii. Process captain
iv. People developer and motivator
v. Entrepreneur
vi. Coach

Based on the present study and also on the basis of experience of the researcher as a practitioner, following are some of the best practices and recommendations for sales supervisors.

Recommendations for sales supervisors in the “Recruiter” role:

Salesperson salaries and incentives constitutes a large part of the cost of sales. Getting recruitment right would mean ticking an important contributor to excellence in sales. Wrong recruitment costs include definite revenue generation losses, squandered salary given to the unsuccessful salesperson and opportunity cost during the time the salesperson is there in the organization.

The following are recommendations for the “Recruiter” role:

a. Usually sales supervisors hire from the same industry or same vertical. This is because of the mistaken notion that the incoming salesperson will know the industry well and will therefore ramp up quicker. In this process, sometimes, the basic ability to sell is neglected. What needs to be looked at is first and foremost the ability to sell. People with this competency can always be trained on products and industry. Also, learning selling skills takes more time than learning product or industry knowledge.
b. Usually sales people are recruited on the basis of their skills, experience and background. These are “eligibility” criteria and based on the past. Most often than not, their “fit” into the sales team is not even looked at. Sales supervisors do not check on their “suitability” in the organization. Suitability characteristics include behavioural tendencies, temperament and aptitude. Looking at candidates who are highly suitable but barely eligible may sometimes give “surprise fits”. These surprise fits when recruited by organizations who have a commitment to training and development see much lower turnover of people and increased sales success.

c. It is important for the sales supervisor to have complete clarity on the competencies of the salesperson, keeping in mind the job required—is the salesperson to be placed in a hunter role or a farmer role. Therefore, the sales supervisor needs to etch out an ideal salesperson profile line—considering attitudes and behavioural characteristics along with education and work experiences desired. This can substantially improve success of newly hired salespeople.

d. Some sales supervisors hire new recruits and then let them work out how to go about their jobs. Excellent sales supervisors always invest in training of the new hire through professional on boarding and continue to invest on them for professional development

Recommendations for sales supervisors in the “Planner” role:

The planning role of sales supervisors envisages ensuring product focus, customer focus and having a continuous smooth funnel.

Following are recommendations for the “Planner” role:

a. More robust is the planning of the sales supervisor, better are the chances of achieving success by the sales team. A sales supervisor should study the trends of the market and make decisions on product mix, market mix and targeted number of customers. He then needs to examine each individual salesperson in terms of results achieved in the previous year and mutually arrive at what could be the sales target for the next period. This target needs to be a well-defined sales target in the sense that it should include overall revenue target, volume from different products and different markets, number of new
customers to be added from specific verticals/industry etc. The sales supervisor then needs to scrutinize the sales activities which produces the desired results and set activity targets. The salesperson can only do these activities if they have the knowledge and skills to do them. The sales supervisor therefore also needs to ensure that the salespeople have the required knowledge and skills by appropriate training and development. Using all the three levels in planning activities is what “management by support” is all above. Sales supervisors should therefore not manage by hope (allocating sales targets to salespeople and then hoping that they achieve results) or manage by fear but see their role as raising the averages of the entire team.

b. The business-to-business sales process is usually like a funnel. At the bottom are the most “ripe” opportunities, at the top of the funnel are encouraging leads and in the middle are the “work-in-progress”. Many organizations in the business-to-business space have wild fluctuations in sales revenue—one quarter sales may be high and then be followed by another quarter which may turn abysmally low. The role of the sales supervisor becomes critical here. The sales supervisor needs to become a “funnel enabler” by:

i. Removing all obstacles at the bottom of the funnel (for example, meeting the customer at the CXO level, help salesperson close specific terms and conditions etc.)

ii. Doing some background work (helping salespeople identify stakeholders and facilitating product and contact tactics along-with the salesperson)

iii. Helping salesperson filter leads which should be pursued keeping in mind the organizational fit)

iv. Making sure that the salespeople focus on immediate short-term first (bottom of the funnel) but in the same time, focus on the top of the funnel so as to constantly achieve desired numbers. This is even more critical in products where there is a time gap between efforts and results.

c. The sales supervisor needs to constantly monitor, analyse and plan activities of the sales team so as to help them achieve results.

Recommendations for sales supervisors in the “Process Captain” role:
A strong process helps in converting the “art” of selling into a more predictable and repeatable “science”. The sales supervisor plays a very critical role as a “process captain”.

Following are recommendations for the “Process Captain” role:

a. Depending on market situations, organizations may take a decision to move from selling directly to selling through channel partners or vice versa. Any change in go-to-market strategy may call for change in the sales process. Firstly, the sales supervisor needs to ensure sales process adoption by making certain that all team members using or supporting the changed sales process should be trained on it. The sales supervisor needs to make sure that result and effort measurements are put in place and make sure that they are in alignment with organizational goals.

b. They should train themselves as process captains and find systemic ways to evaluate their own expertise in the new process.

c. They should then measure implementation of the new process by tracking progress towards the goals in a systematic manner.

d. They should also ensure that the parameters being measured are the same across the organization so that there is a company-wide process rather than a sales supervisor-wise process.

Recommendations for sales supervisors in the “People Developer and Motivator” role:

Following are recommendations for the “People Developer and Motivator” role:

a. The knowledge and skills which got the sales team to the present level may not be enough to get the team to the next level. Development of each member needs to be continuous, short-term as well as long-term and must be linked to activity targets. Thus, sales supervisors should look upon their role as achieving today’s results utilizing available resources and also to achieve tomorrow’s results by developing the available resources.
They therefore need to keep a constant track on the level of knowledge and skill levels of each member of the sales team.

b. After arriving at the knowledge and skill requirements, sales supervisors need to evaluate each person and plan development. This development should be carried out by various mechanisms including in-house training, face-to-face external training, e-learning for optimization.

c. At the end of every half year, each member of the sales team needs to be given a “Sales leadership plan” which contains details of results expected, efforts expected, current level of knowledge and skills and a development plan for the specific team member.

d. The sales supervisor should also have regular “developmental talks” with each individual salesperson. The focus of the developmental talk should be both-sales performance and the future. This should be apart from the year-end appraisals done by sales supervisors.

e. Development is one of the strongest ways of motivating the sales team. Sales supervisors need to devise non-monetary ways of motivating the team. They need to use praise appropriately in public and criticize in private.

Recommendations for sales supervisors in the “Entrepreneur” role:

An entrepreneur measures constantly both effectiveness and efficiency. Effectiveness is all about doing the right things whereas efficiency is about doing the right things in the right way.

Following are recommendations for the “Entrepreneur” role:

a. Interpreted in the world of selling, from a sales supervisor point of view, sales effectiveness is all about developing strategies that are in line with the organizational goals and overall mission. Some examples of sales effectiveness are alignment of the Salesforce, markets targeted and covered, sales of products desired versus actual, positioning desired versus actual, pattern of customer calls desired versus actual etc. From a salesperson point of view, sales effectiveness is all about contact tactics, frequency of contact, making bespoke presentations, offering the right product and delivering
excellent service post-purchase. There should be a clear understanding between the sales supervisor and salesperson on what is sales effectiveness.

b. Sales efficiency is the ratio of input to output. Specifically in sales, efficiency is number and frequency of sales calls to specific customers, utilization of salespeople.

c. Sales supervisors need to measure and improve the right matrices which are relevant for their business, both in terms of effectiveness and efficiency because what cannot be measured cannot be improved.

Recommendations for sales supervisors in the “Coach” role:

Sales supervisors need to believe in the merit of coaching and make it an integral part of their tools. Coaching improves individual performance and also contributes to leadership development.

Following are recommendations for the “Coach” role:

a. Coaching is a separate skill than managing. Sales supervisors need to invest time in learning this skill. This skill is a force-multiplier and helps in getting off the “salesperson” role and taking up the “sales coach” role.

b. Sales supervisors need to see coaching as a critical tools for achieving results and should see it as a “must-do” activity. Coaching needs to take precedence over all other roles.

c. Make coaching a part of the regular training and development initiatives. Impact after coaching needs to be measured and return on investment calculated. This is not easy because unlike other processes, coaches engage with their coaches in a “made-to-measure” way. Individual method of learning, personality traits are some things to be kept in mind while selecting a coach. A large amount of individual working makes quantification difficult.

d. They need to enjoy helping people grow. They need to believe that “more they give, the more they get.”

e. They need to be curious and ask lot of questions about issues being faced by their salespeople, opportunities at the customer place and what needs to be improved.
f. They need to demonstrate empathy and understand what each member of the sales team needs and adapt accordingly.

g. They need to block some time in their calendar on making joint visits with the salesperson in the field where they will just be a silent observer, see the salesperson in action and give feedback after the visit is over. They need to be able to find good points even in the worst of sales calls and always start with good things observed during the sales call. Feedback needs to be specific and based on observations and not past prejudices.

An important role of the sales supervisors to make their team “future-proof”. With tectonic shifts in the market place, sales teams need to be agile and sharp. The following are the recommendations for sales supervisors to be able to stimulate and motivate their team:

- They need to build sales values in the team by answering three questions- Firstly, what is it that the sales team is doing which they want them to continue? Secondly, what is it that the sales team is doing which they want them to stop? Lastly, what are the new things which they want the sales team to start doing?
- Document these sales values and keep on reinforcing them.
- Know their own sales team’s strengths and weaknesses in terms of skills. Make this a continuous process,
- Constantly align sales capacity with the opportunities available in the market. Sales capacity, if not used, gathers rust. The team size should be just “less enough.”
- Prepare the sales team for “team selling” which is becoming increasingly important.
- Prioritize prospecting and make it a culture. Mark a few days in the calendar as “Blitz” days where the entire sales team will be on the field meeting prospects and customers. Make this a regular habit.
- Develop standard templates of prospecting emails, objection banks and standard presentations which can be customized quickly.
- Make the sales team to be curious in all things pertaining to the customer. This will help them discover new needs and reasons for buying.
• Have cross-functional team meetings often.
• For large deals, take “deal strategy” suggestions from the sales team.
• Encourage external networking through social tools like LinkedIn. Make sure that the customer is met early in the sales cycle through use of social selling.
• Assess your team developmental needs and prioritize them. Keep “life-cycle” of salespeople in mind. Legacy sales team members can definitely benefit from some refreshers.
• During training workshops, encourage sales team members to learn from each other. Replace the “heritage way” of training with a new “interactive, participative” way of learning.
• Recognize team members who achieve learning milestones. Share successes quickly and foster a culture of best practice sharing.
• Develop the sales team keeping in mind their requirement, timing of their requirement and in the form which they require. Keep developmental initiatives practical and application-oriented.
• Use emails efficaciously to send the right messages at the right time. Make them short and impel action.
• If you have joined an existing organization having an existing sales process, own the process. If you need to, create a process where none exists. Mapping the sales process to align with the buying process is critical. Have consistency on what is being measured. Use the same measures to discuss on issues during team meetings and reviews.
• Monitor, analyse and plan activities to achieve results. In the prospecting stage, make sure the sales team identify customer business issues well. In the qualifying stage, make sure the sales team is able to identify compelling reasons for the customer to change status-quo. In the demonstrating stage, make sure that the sales team leverages on existing references and success stories. In the validation stage, make sure that the sales team prepares a compelling business case and all red flags are addressed. In the negotiation stage, make sure that proper internal working is done so that profitable deals are achieved. In the closing stage, make sure that a written commitment from the customer is taken.
• Document how and why deals have been won and make the team replicate these behaviours. Learn from losses.

• Encourage the team to make mistakes and learn from them.

• Measure “wins and losses” on a dashboard and use this information to track competition.

• Equip the sales team with digital tools which are appropriate and do the right things. Digital tools often bring to life completely different go-to-market approaches that are more efficient.

• Use best-in-class sales practices in assigning territories and account management. They need to do more of forward planning instead of just reviewing the past.

• Prune the accounts which consume lot of time of the sales people. The sales team needs to have a quantified view of overall profitability, product-wise profitability and transaction-wise profitability. A robust customer qualification criteria will help in providing direction to the sales team on leaving out unprofitable and unsustainable deals.

• Formulate a strategy for low-cost, alternative sales channels. Alternative channels can be used to serve customers which the team is not able to work with directly. This will help the sales team to focus more time on larger, more profitable projects.

• Use analytics like Microsoft Workplace Analytics to track behaviour of their sales team. They can then study data and find correlations between data and high performing sales people. These behaviours can then be used for daily reinforcement by sales supervisors.

• Put a process in place for handling key accounts. This process needs to strike a balance between rigour and implementation focus. The supervisor also needs to see how much of it can be automated so that the sales team does not find it cumbersome to follow.

• The back office marketing information system needs to be digitized as much as possible. Past data should be available at a click of a button and time of the sales team should be wasted in information retrieval.

• Practise storytelling and encourage sales people to share their own stories. Create a library of best stories which can be shared with new prospects.
• Start every time with a mind of a beginner. Keep mind open to alternative possibilities. Do not close possibilities by having an expert mind.

8.4 Future scope of study

i. The present study could be conducted on a large scale with a range of industries which would then lead to better understanding of the seven constructs and their interrelations.

ii. It would be appropriate to study even more factors which have an influence on salesperson learning and performance orientation of the salespeople.

iii. It would be appropriate to use structural equation modelling (SEM) for development of a comprehensive framework.

iv. A survey of correspondingly matched sales supervisors would help in understanding their perspectives and further refinement

v. Longitudinal studies carried out over period of time would be necessary to study effects of time lags

8.5 Limitations of the study

The study carried out had the following limitations:

i. The study was conducted over a period of time and part of the sales results would have depended on the general conditions prevailing during that time

ii. The study was conducted on seven large companies, ten medium sized companies and ten small size companies only.

iii. It is assumed that the results of the study are generalizable beyond the sample. This generalization is limited by how well the sample represents the population, based on the selected sample size.

iv. The generalization of the results of the study has been limited by the method of sampling which this study proposes to use