

## Restoring the Sales Organization's Focus on Growth

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Increasingly, financial analysts and the popular business press report that investors are looking at revenue growth as the key to sustained improvement in the stock market. As in previous periods of economic turbulence, revenue growth helped to fuel economic prosperity. Many economists and financial analysts believe that companies can only cut costs to produce earnings for so long and, thus, believe businesses are now at the point where sales will have to start growing again.

When top managers think about restoring revenue growth, they think first and foremost of the role that the sales organization must play in achieving that goal. The purpose of this Short is to describe three factors to carefully consider when making such a shift in focus.

### **Leadership and managerial skills.**

Customers motivate change. In fact, in some industries they demand it. In companies where a sales organization's shift to a focus on growth went relatively smoothly and, therefore, resulted in a substantial increase in profitable top line growth, leaders did three things well: 1) They looked to their customers to understand what is required to gain and sustain a competitive advantage; 2) They directed and participated in the processes by which their company sells and provides service to customers; and, 3) They made investments in resources that enable their organization to work productively with their customers.

To support this leadership perspective, sales executives and their field managers had to develop of much broader range of skills to do business with customers. Typically, these skills included: 1) Financial; 2) Communications; and, 3) Facilitation/consensus building.

**Customer focus.** Being truly "customer focused" is easier to talk about than to implement. Companies want to align their selling practices to the buying process of their customers. However, the ability to do so successfully is a bit of a paradox because they are managing sales for today's success while at the same time speculating on what future buying

models will actually look like. One important dimension of customer focus is the sales channels a company puts in place to do business with customers. Companies that cover the market with a direct sales force allow the field sales staff to decide which customers to approach, sell to, and build relationships with.

To grow profitably, a company must have tools in place to help the field sales staffs determine which customers are the best customers to invest in. Without such tools and processes, resources could be wasted on the wrong customers, customers who actually reduce the opportunity for profitable business growth.

**Productivity and investments in the sales function.** Companies look to their sales organization to produce: 1) Revenue growth in strategic areas like acquisition of new customers or the successful launch of new products; 2) Greater sales productivity, e.g., higher sales per selling expense dollar, greater sales per customer account; and, 3) Better allocation of selling expenses, i.e., shifting sales costs to the most effective form of customer coverage. To increase sales productivity, companies must help their "sellers" increase the return on time invested on the job.

The investments that companies are making in technology enabled selling -- giving customers access to information that enables the customers to learn the status of new products, orders, etc. without contacting a sales person -- is one way to increase available selling time. To achieve growth, some companies are investing in "head count" growth. This is because, in some cases, it is physically impossible to realize incremental revenue because too few salespeople work on growing the business -- they are consumed with retaining business with current customers.

Making the right investment(s) requires analysis of the market, sales force time utilization and current support programs and processes.