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Cashing in

## Freeing up the sales staff so they can sell, sell, sell



Justin Roff-Marsh... believes it is 'a myth that salesmen create opportunities'.

Sales people typically operate at a tenth or less of their capacity because of poor sales management processes, according to Justin Roff-Marsh, managing director of Ballistix.

Mr Roff-Marsh, whose company specialises in sales process engineering, says sales has been the "least scientific, least measurable, least predictable and least manageable" of corporate functions.

As a result, responsibility has been handed to salesmen who find themselves in positions of "enormous power", and may regard their client list as an asset that can be auctioned to the highest bidder.

Ballistix analysis of a salesman's time shows about 10 per cent of it is spent negotiating sales. The rest is spent on tasks that could be delegated to less-skilled and lower-paid staff.

Clerical work chews up about a quarter of a salesman's time, fulfilment logistics about a fifth, account management 17 per cent, preparing quotes and proposals 15 per cent and prospecting for new sales opportunities 13 per cent.

Mr Roff-Marsh argues that, aside from wasting selling time, this process requires salesmen to do about six activities, each needing different skills and resources.

If the salesman keeps switching between tasks, it will take 2 1/2 times longer than doing them one after the other.

So small businesses that cannot afford to restructure their sales force and eliminate multi-tasking should at least restructure their salesmen's use of time.

There will be better productivity if sales acquisition is conducted on, say, Tuesday and Thursday, and sales management Monday, Wednesday and Friday.

When Ballistix re-engineers sales processes, all tasks other than sales acquisition are taken away from salesmen. Sales co-ordinators become responsible for prioritising and scheduling four or five daily appointments for each salesman, while a marketing co-ordinator provides sales co-ordinators with an inventory of sales opportunities.

Once new accounts are won, they are handed to an account manager for servicing. "Generally, there's an increase in labour costs, because we don't go in and retrench a bunch of salespeople," Mr Roff-Marsh says.

"We build the infrastructure behind the existing salespeople that's required to significantly increase their productivity."

Sales process engineering may cost a client \$80,000 to

\$100,000 and involve Ballistix consultants working in their business for six to nine months. A 100 per cent return on investment should be delivered within a year.

"If we didn't believe that was do-able, we probably would not take the project on in the first instance," Mr Roff-Marsh says.

Sales people have mixed reactions when told of such changes. "The bad news is that we take away from them ownership of the sales process in totality. The good news is we increase significantly the yield they produce."

While salesmen are initially enthusiastic about support staff handling prospecting and paperwork, there is likely to be push-back when they are kept busy with new appointments every day.

"When we start saying we are going to take an objective approach to the sequencing of your time, and we are going to determine who your next appointment is based on the probable contribution that appointment makes to the profitability of the organisation, that's the point where we generally get a bit of push-back."

Some quit because they do not want to change their practices, even though they recognise the new processes are better for the organisation.

Mr Roff-Marsh says it is a myth sales managers and salesmen create sales opportunities. "Because management thinks sales people create opportunities, they add more, thinking that the opportunities and sales will increase. What happens is that you add more sales people, and sales go up by between 2 and 10 per cent, not by a percentage that corresponds with the increase in the size of the sales team.

"In nearly every case, we find sales opportunities emerge spontaneously in spite of, and not because of, sales people's prospecting. They generally come from relationships an organisation has under its custodianship."

Ballistix's process involves establishing a greater number of relationships within a client's marketplace. This relationship-centric marketing generally involves a client being positioned as a "thought leader" in its field, with discussion papers written or a book describing the organisation's ideology.

The client will be encouraged to stage seminars, publish a newsletter, speak at corporate events and undertake other activities that will create a "community of followers" who provide sales opportunities.

Mr Roff-Marsh also challenges conventional thinking about the value of sales promotions, saying these are counterproductive in the long term.

While huge sales may be created one month, sales can drop markedly the following month. Production teams therefore have to be large enough to cope with peak months, but will be under-occupied in quiet months. Lumpy sales curves also reduce the efficiency of other organisational processes and make it difficult to forecast inventory requirements.

"Your optimal sales volume will be determined either by your production or fulfilment capacity, or by the capacity of your opportunity management process," he says.