



REGAINING AND REGAINING THE ADVANTAGE
ADVANCING THE ORGANISATION THROUGH SALES AND MANAGEMENT



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NEW COMPETITIVE REALITIES CONTINUE TO PRODUCE SHOCK WAVES THAT TOPPLE CORPORATE GIANTS, BUT THEY ALSO GIVE RISE TO REVOLUTIONARY WINNERS. THESE BEST-IN-CLASS COMPANIES ARE FORGING ENTIRELY NEW STRATEGIES IN AN AGE OF MASS DISRUPTION, THROUGH FRESH ECONOMIC MODELS, MERGERS AND ACQUISITIONS, AND E-COMMERCE.

Traditionally, a company could win long-term advantages with new products, or dominate with deep pockets and massive size, or capture markets with widespread brand recognition and global presence. The strategy was to create barriers in the marketplace and strive for stability. Today, these attributes may produce a temporary market advantage, but it is likely to be short-lived. It is not enough now to develop a new product to sustain advantage. Every competitor will quickly seize on its strengths and set about to replicate and improve it. “Deep pockets” (discounting) in most industries is equally duplicative, and global competition makes it harder and harder to capture a market. Brand recognition, while important, loses its impact in an environment where the customer expects excellence and where new and improved competitors surface daily. So how can organisations sustain advantage under these conditions?

The truth is there are no sustainable market strongholds or long-term competitive advantages *anywhere* on the business horizon anymore. The traditional sources of advantage, even the strategy to *sustain advantage*, have proven to be too static for today’s tumultuous marketplace. It is a short-term market requiring organisational agility and know-how -in short, *speed* and *surprise*. Companies must gain and regain the right to the customer’s business, and gain and regain the advantage over their competitors.

According to Richard D’Aveni in his book *Hypercompetition*, traditional competition has been replaced by hypercompetition: “Now, instead of stable periods between disruptions, the environment is one of disruptions punctuated by rare stable periods.” As a result, he says, we are viewing the “twilight of strategic doctrines,” and sustainable

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advantage is being replaced by a strategy of “launching multiple unsustainable initiatives and using them to outmaneuver the old competitive position of rivals.” McKinsey’s original 7-S framework held that competitive advantage arises from creating a fit of organisational characteristics (structure, strategy, systems, style, skills, staff, and superordinate goals) and focusing them on purpose and mission. D’Aveni views these as obsolete in a hypercompetitive market, and his dynamic theory offers a new 7-S framework for finding and building temporary advantage. In hypercompetition, the old stabilising influences have given way to speed, disruption, and changing the game.

Companies acutely aware of external market pressures exerted by hypercompetition are altering how they go to market. Key to these initiatives is the redefinition and redeployment of the sales organisation.

REDEFINING SALES: A POWERFUL SOURCE OF COMPETITIVE ADVANTAGE

Certainly the “art of the sale” has grown increasingly complex. Market staying power has become a function of how fast and how effectively companies can operate on behalf of the customer and, at the same time, outmaneuver the competition. So the degree to which companies can make doing business with them easy and rewarding for customers, and impact the critical success factors of the customer’s business, is a measure of their competitiveness. This requires a salesforce that has skills well beyond those of the traditional persuader, and sales management that is responsible for the sales process as well as salespeople. It also requires an organisation that is structured and culturally motivated to move beyond the status quo, toward creating - and in many respects, defining - the customer’s future. Current and future competitiveness requires anticipating the marketplace, not simply reacting quickly to customers.

The Art of the Sale

In the past, the successful salesperson was a persuader, a features expert, and a vendor, operating outside the mainstream of strategic decision-makers in marketing, manufacturing, or R&D. This sales approach suited a mass market where customers had little information, were eager to buy, and had limited sources of supply.

Today, almost all successful salespeople are experts in their customers’ businesses and function as problem solvers. But high-performing organisations, especially those with aggressive growth goals, have redefined the sales team to include the most senior executives. In a sense, every salesperson is a team leader, aligning, orchestrating, and value-adding valued company resources on behalf of the customer. And every employee is part of the sales team, available to support sales initiatives.

Two Sides of the Same Coin

The salesperson’s role must continuously evolve from being a player in a numbers or relationship game to being a business consultant. The emerging role might be described as a conduit of information - a consultant who facilitates an organisational response to solve customers’ business problems.

Providing ‘added value’ now means understanding the customer’s business, their industry, and their competitive landscape. It means discovering how the selling organisation can play a strategic role in the customer’s business, and being able to communicate credibly with the customer’s senior executives. It means discerning what influences the customer’s buying behaviours, anticipating those behaviours, and responding strategically. It requires understanding how the customer uses the salesperson’s product or service over time and establishing profitable associations between and within the buying and selling organisations. In this context, the salesperson becomes a consultant, promoting

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the business objectives of the customer, providing innovative ideas and solutions.

The *consultant* role of the salesperson provides advantage to the customer. The other dimension required of the successful salesperson today is that of a *strategist*. In the role of strategist, the salesperson provides advantage to the selling organisation. The salesperson must be able to select high-yield opportunities and demonstrate business value to the most influential people in an account, while managing the competition in a way that is, frankly, beneficial to the customer. The salesperson as strategist must be able to articulate solutions to the senior level in the customer organisation. This means the ability to manage communications differently regarding value, the business case, financial implications, and technological impact.

The roles of consultant and strategist are not contradictory. They represent two sides of the same coin: sales effectiveness. The salesperson as *consultant* advances the customer's company by becoming an expert in that business and industry, in addition to his or her own business. Senior executives uniformly say that the most strategic suppliers are those who know both. The salesperson as *strategist* advances the selling organisation by doing profitable business while outperforming the competition. While there are skills specific to the consultant and strategist roles, obtaining sales superiority requires skills over and above those associated with either role. These skills facilitate the effectiveness of both roles and are grouped into two dimensions of effectiveness: *personal* and *technical*.

Personal effectiveness is the individual capacity to be both a strong strategist and consultant through self-development, relationship skills, and innovation for the conceptualisation and implementation of a sales effort. Personal effectiveness traditionally has been thought of as the most important capacity of the sales professional. The

characteristics associated with personal effectiveness include motivation, self-management, and innovation. Salespeople must be able to handle stress, assess risks, and generate creative solutions. Their success is dependent on their ability to develop relationships and provide leadership in the diverse universe of globalisation and multinational talent.

Technical effectiveness is product-specific knowledge about characteristics and applications, combined with business acumen. More recently, companies have emphasised product and business knowledge in their training and development of sales personnel. This has not gone far enough. To sit down and speak credibly with a CFO about the financial dimensions of a solution is a source of unease for many sales professionals today. Wilson Learning recognises this and believes there must be a greater emphasis on this capability. Even the most sophisticated and experienced salespeople often lack confidence in a discussion of this complex nature. A salesperson with technical effectiveness is proficient in product knowledge, applications, business processes, financial conditions, and other functional factors that affect the purchase, use, and integration of products or services. This knowledge is also critical for effectively developing and implementing a sales strategy that is right for the customer and right for the company. In the words of one senior executive, “The shift I am expecting is from a good salesperson with business savvy to a business person with highly developed sales capacity.”

Without these additional capabilities, a salesperson could not implement a successful sales strategy. There are, then, four principal dimensions for effective sales performance: consultant, strategist, personal effectiveness, and technical effectiveness. In turn, each dimension is composed of a set of individual competencies.

