Competent sales efforts and technological support: basic principles of client success

The relationship selling business model has shown in the past that the companies whose relationship selling techniques are the most sound in design and robust in activity are likely to be the business winners with their clientele.

The return on investment (ROI) of such efforts was once cost effective and, in some cases, downright lucrative. However, recent evidence indicates a substantial reduction in returns associated with relationship marketing. It seems that once tried and true standards of relationship selling may not be yielding sufficient value over a lifetime of customer association.

Factors impacting the sales force

The twenty-first century brings forth many costly factors that directly impact today's sales forces. These factors could easily and dramatically undermine today's relationship selling:

1. Shorter product/service life cycles. These shorter life cycles quickly commoditize products and services and make them more difficult to differentiate.

2. Longer, more complex sales cycles. This phenomenon is primarily due to an expanding customer search-to-purchase process. Clearly, there are more ways for clients to view an expanded product/service offering with the internet, etc. Added to that, a larger proliferation of global competition is now at one's computer doorstep.

3. Client knowledge has substantially increased. The traditional friend and expert sales differentiation has been negated by an increased level of complex communications of need determination, real and intrinsic value, multifunctional use characteristics, ROI along with return on assets applied, and the net present value of real costs, opportunity losses and opportunity costs.

4. The dynamics of client group decision. In order to spread the risk of major purchases, more decisions will be made by larger and more significant groups. This situation will increase the training cost of ensuring the sales teams are well versed in multi-level and multi-functional selling.

5. Intensified global competition. Owing to the onslaught of global markets and changing technologies, competition is even more severe. World markets, including the USA, will be affected by low-cost, highly trained, and effective human resources in Asia, Russia, and Eastern Europe.

6. Less customer loyalty. People who make buying decisions are becoming less loyal to a particular vendor. Primarily, this situation seems to be cost driven as organizations continue to tighten their financial belts.
7. High costs of sales support systems.

8. E-commerce client purchasing.

Overcoming these key client challenges will be both costly and continually problematic in trying to build and reinforce the proverbial sale-client relationship bonding.

Managing strategic customer relationships

Client management and sales are key functions in most organizations, and companies are increasingly realizing the importance of preserving and developing relationships with their existing clients, in addition to developing new clients. The challenge is to manage customers strategically by constantly expanding the scope of the offering and the strength of the impact on the customer's business performance.

The capability to manage strategic customer relationships as the most critical assets in the business remains elusive. Nonetheless, there are still high performing, if not at least, functioning elements at the disposal of the effective sales teams. These sales teams take advantage of seven key focal points.

Customer relationship management

On the plus side, companies that successfully implemented CRM initiatives reported excellent results. Clairol increased their revenues per sales representative by 50 per cent. Pitney Bowes reduced their sales order processing errors by 41 per cent. Great-West increased their new customer acquisition rate by nearly 35 per cent. Cisco is doing $8 billion of their $11 billion in annual sales via the Internet. Based on these successes, the interest and sense of urgency surrounding CRM projects is greater than ever.

But while the rush towards CRM continues to gain momentum, all that glitters is not gold. Of the fully implemented projects recently reviewed, only 30.7 per cent reported achieving significant improvements. Of the remaining initiatives, 37.6 per cent achieved only minor improvements in performance, and 31.7 per cent had no noticeable improvement at all.

E-commerce sales impact

In many cases, an e-commerce company will survive not only based on its product, but by having a competent management team, good post-sales services, well-organized business structure, network infrastructure, and a secured, well-designed website. Such factors include:

- Sufficient work done in market research and analysis.
- A good management team armed with good and sound information technology strategy.
- Providing an easy and secure way for customers to effect transactions.
- Providing reliability and security.
- Providing a 360-degree view of the customer relationship.
- Constructing a commercially sound business model.
- Engineering an electronic value chain in which one focuses on a “limited” number of core competencies – the opposite of a one-stop shop.
- Operating on or near the cutting edge of technology and staying there as technology changes.
- Setting up an organization of sufficient alertness and agility to respond quickly to any changes in the economic, social, and physical environment.
- Providing an attractive website.
- Streamlining business processes, possibly through re-engineering and information technologies.
- Providing complete understanding of the products or services offered which not only includes complete product information, but also sound advisors and selectors.
Naturally, the e-commerce vendor must also perform such mundane tasks as being truthful about its product and its availability, shipping reliably, and handling complaints promptly and effectively. A unique property of the Internet environment is that individual customers have access to far more information about the seller than they would find in a brick-and-mortar situation.

**Developing trust and mutual respect with clients**

Motivation Excellence Inc. (MEI) is a full-service performance improvement company that specializes in highly creative and results-oriented incentive systems. Their incentive planning process is focused on exceeding clients’ sales and marketing goals and providing those clients with a solid return on investment. The ability of their sales team and executive management to develop client relationships on a rock-solid foundation of mutual respect, trust, and confidence has been critical to MEI’s long-term success.

**Client-to-sales personal behaviour is key**

According to the consulting firm, The HR Chally Group, more customers make buying decisions based on the sales person than on any other factor, including price and quality. Thus, when interacting with customers, it is of paramount importance that salespeople reinforce the overall sales message through their behaviours.

In addition to planning appropriate sales dialogues or presentations, salespeople should focus on three key behaviours when they are face-to-face with customer:

1. they should show enthusiasm and be energetic about what they are selling;
2. they should be superb listeners; and
3. they should avoid negative selling.

**Client retention**

In traditional selling, salespeople too often thought that their job was over when they closed the sale. Once the order was obtained, they moved on to the next prospect. Any follow-up or customer service was minimal. The life line of an organization today is repeat business. It is important to acquire new customers, but it is critical to keep your existing customer base happy. Not following up with a new customer is a short-sighted attitude toward selling, for it fails to consider the importance of developing and maintaining a customer for your company.

There are several ways that a salesperson can convert new customers into highly committed lifetime customers. Examples include:

- building goodwill by continually adding value to the products;
- handling complaints in a timely and thoughtful manner; and
- processing requests for rush deliveries willingly and letting the customer know that the salesperson will do everything he or she can to make that request happen.

**Client satisfaction reviews**

The importance of a diligent effort to maintain and enhance customer relationships is reflected in a survey of corporate buyers who were asked to identify the number one activity of salespeople that annoyed them the most. Their response was lack of follow through. Comments such as this indicate that the emphasis on maintaining and enhancing customer relationships is definitely increasing.

**Salesperson competence**

It has been abundantly evident that salespersons do not offer the necessary fundamental skill sets necessary to carry out their sale responsibilities. Although B2B salespersons tend to have more training than their B2C counterparts, it is the clients that speak of B2B sales deficiencies.
Optimally, a sales professional is one who has mastered all three sides of the selling triangle, which consists of:

1. product knowledge;
2. selling tactics and strategies; and
3. attitude and goal setting.

It is also critical that these salespersons possess excellent characteristics designed for B2B sales professionals. These sales success traits are both personal and client-related.

Implications

Effective salesperson follow-up would logically include specific components designed to interact, connect, know, and relate with their customers:

- **Interact** – the sales person acts to maximize the number of critical encounters with buyers in order to encourage effective dialogue and involvement between the salesperson and buyer.

- **Connect** – the salesperson maintains contact with the multiple individuals in the buying organization influencing purchase decisions and manages the various touch points the customer has in the selling organization to assure consistency in communication.

- **Know** – the salesperson coordinates and interprets the information gathered through buyer-seller contact and collaboration to develop insight regarding the buyer's changing situation, needs, and expectations.

- **Relate** – the salesperson applies relevant understanding and insight to create value-added interactions and generate relationships between the salesperson and buyer.

No one can deny the valued benefits of technology towards assisting businesses and their sales teams. Yet, one must now realize that a marrying of both competent sales efforts and technological support make for the most sound programmes.

It seems that it may very well be back to the fundamentals in terms of sales activities while remaining as cost effective as possible in the utilization of sales technology. Salespersons must not forget the six basic principles of client success, both now and in the foreseeable future:

1. Taking action to assure customer satisfaction.
2. Maintaining open, two-way communication.
3. Resolving complaints and encouraging critical encounters.
4. Expanding collaborative involvement.
5. Adding value and enhancing mutual opportunities.
6. Identifying the four levels of sales goals and explaining their interrelationship.

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