

# Sales Education Foundation

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## The 80/20 Rule\*

**THE MYTH:** The top 20% of the sales force generates 80% of all sales.

**THE TRUE CHALLENGE:** Top performers account for only 52% of sales, but they're using a significant majority of their company's resources to do it. Companies are paying top performers twice—once with a higher level of support resources and again with higher compensation for deals closed.

**THE FIX/OPPORTUNITY:** Companies can take three steps to address this challenge:

1. Establish a cost-of-sales measurement system, to account for the true level of support salespeople and their customers require.
2. Address key areas by developing sales and customer support processes with more flexible systems and user-friendly navigation.
3. Provide routine training to teach all salespeople how to effectively use internal resources to provide stellar customer service.

## It's All About The Bling\*

**THE MYTH:** The key to building sales is one of the following priorities: new products, acquisitions, special advertising, or incentive programs.

**THE TRUE CHALLENGE:** When customers rated a vendor as "very good to excellent" they were 42% more likely to remain loyal, while 80% of all vendor deserters rated their previous vendor as "good to very good." The building of customer loyalty is significantly more important than many other business priorities.

**THE FIX/OPPORTUNITY:** Raising customer retention by just 5% can increase sales by 25-85%. Achieve an "excellent" rating for your organization by doing the following:

1. Conduct a customer audit to help your company focus on meeting and exceeding customer expectations.
2. Track customer and salesperson changes in real time, making adjustments quickly, as they are needed.

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## The Price is Right\*

**THE MYTH:** Customers make their vendor decision based primarily on price; salespeople are responsible for day-to-day purchases, administrative management, technical support, and customer service.

**THE TRUE CHALLENGE:** The salesperson is the largest factor in a customer's decision to buy. The salesperson accounts for 39% of the decision, while price only accounts for 18%.

**THE FIX/OPPORTUNITY:** The salesperson must be a business consultant, since he or she plays the key role in a customer's decision to buy—or not to buy. The salesperson must learn and understand the customer's business, elevating the relationship beyond traditional purchasing, technical and administrative functions. Ultimately, the salesperson must add value to the customer's business.

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## Respect Your Elders\*

**THE MYTH:** New salespeople should be trained by an organization's most seasoned sales professionals.

**THE TRUE CHALLENGE:** The cultural disconnect between fresh talent and those starting to think about retirement is so great that it can limit relevant training and result in high turnover. The new generation of sales professional tends to be curious and interested in using new technology in an effort to serve clients.

**THE FIX/OPPORTUNITY:** Organizations should pair new talent with more recent hires. Successful sales professionals with two to three years of experience at the company tend to relate better to the new talent, due to their more recent experience as a new employee. Their recollection of anxieties and challenges in the new role, coupled with their increased tendency to embrace new technologies, makes them a better-aligned resource for new sales representatives.

\* Information compiled from academic and industry research. Sources include Dr. Arun Sharma, Harvard Business Review, Chally Group and Lynn Schleeter. Keep in mind that your local university sales program offers quality researchers and a talent pool prepared to compete in a global sales market.