

# SALES AND ACADEMIA

PREPARING SALES PROFESSIONALS FOR A MORE DEMANDING BUSINESS ENVIRONMENT

BY: HOWARD STEVENS AND GEOFFREY JAMES





# Introduction

For decades, the fields of Sales and Academia have remained worlds apart. Many salespeople lacked a formal education, and did not see the need for one, nor did their employers. In turn, the academic community, even the business schools, tended to see selling as a “trade” of little interest to scholarly researchers.

As a result, the training of salespeople has largely taken place outside the academic environment. As the 21st century began, companies were spending between \$4 billion and \$7 billion on internal sales training and programs offered by sales training firms, according to Dave Stein, CEO of ES Research, a company that studies the sales training market. At the same time, few colleges and universities either offered courses on selling or actively sought enrollments from salespeople, except for individuals looking to get out of sales and into a management role.

The gulf between Sales and Academia, however, is rapidly shrinking. Sales professionals are increasingly realizing that they need deeper and broader business knowledge in order to continue to add value to their customer relationships. At the same time, pressures on Academia to make their business programs more practical are driving colleges and universities to include sales training and sales management in their curricula.

This executive brief details the sources of the long-standing antagonism between Sales and Academia, explains the business trends that are driving a rapprochement, predicts how these trends are likely to change both Sales and Academia, and provides specific recommendations for companies looking to use colleges and universities to augment their sales training programs.





## The Gulf Between Sales and Academia

Before examining how Sales and Academia are beginning to work more closely, it's important to understand why they've traditionally remained separate.

The concept of a dedicated salesperson is relatively new to the business world. It wasn't until the beginning of the 20th century that selling was seen as a separate function that might require some sort of specialized training or education. As originally conceived, selling, and the role of the salesperson, was seen as being more akin to service work than to a profession, such as engineering or management.

Selling was seen, and consequently trained, as a set of behaviors that could be instilled in virtually any individual, providing he (and it almost always was a "he" back then) were sufficiently motivated to learn the craft. In sales training from that period, salespeople were told what to say (word for word), how to dress, what expression to wear, and even exactly how to move their hands. Sales courses of the time, for example, explained exactly how a sales rep should hold a pen when handing it over to a customer to "sign on the dotted line."

The notion that selling behavior is "standardized" (like factory labor) has remained a potent paradigm until quite recently. For example, when IT groups first began to apply computer technology to a sales environment, the buzzword that originally "caught on" was "Sales Force Automation," a term that clearly implied selling was something that could be automated, just like the process in an assembly line. By contrast, software intended for managers, for instance, is positioned as "business intelligence," a term that clearly emphasizes the professional nature of the manager's job.

"For years (the business community) has assumed the responsibility and expense to educate new hires in the field of selling.

IBM and Xerox, along with specific industries like insurance, are probably responsible for this trend starting in the mid 1960's or earlier."

*-Jack Rhodes*

Director of the sales program at the Foster School of Business at the University of Washington.

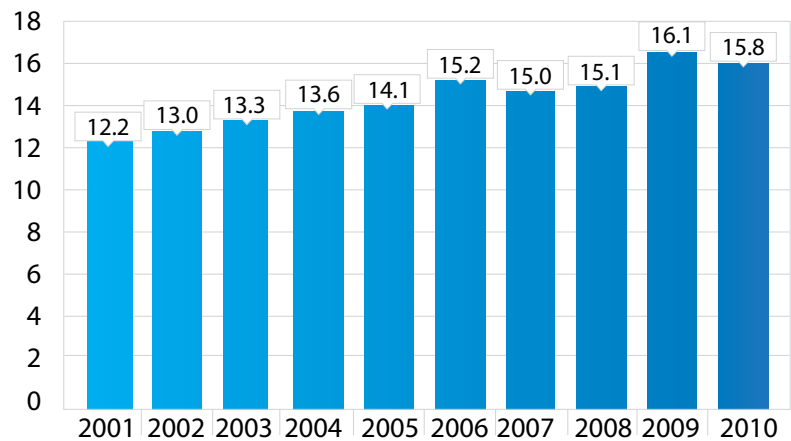
Because salespeople were seen as analogous to factory labor, sales training developed completely outside of the academic environment.

As a result, even today, there's a tendency within the business world to view selling as a low-level function and some sales training courses, both internal and external, still include ritualized selling scripts and other artifacts from earlier decades.

For its part, Academia has echoed the attitude of business towards selling, and tended to view it as something that's "vocational" rather than a subject matter that's appropriate for college-level courses. "Non-sales university professors may argue that sales is a topic easily taught by companies to their

## The Sales Career: Constant Growth

Estimated growth of U.S. Direct Salespeople 2001-2010 (in millions Direct Selling Association)



incoming employees,” explains Leff Bonney, [Assistant Professor of Marketing at Florida State University](#), and a member of the [Sales Education Foundation \(SEF\)](#). “Professors in this camp feel that selling is idiosyncratic to the company or industry that is hiring the student [and] feel that there aren’t enough ‘universal truths’ in selling that can be applied to any context.”

At the same time, Academia has generally regarded selling as a topic unworthy of serious scholarly research. “All universities have at least some research component to their business programs [and] unfortunately sales research does not garner a great deal of respect among hard-core marketing and business school researchers,” explains Bonney.

This, in turn, created a negative cycle where the lack of research has created an academic climate that’s generally hostile to research about sales and selling, according to Rhodes. “There are not enough academics (Ph.D.s) in the field to get the sales voice heard in the academic community,” he explains. At the same time, non-tenure track faculty often do not have the time, resources or interest in developing a solid sales curriculum at their respective universities, according to Bonney. There’s also peer pressure to keep sales out of the

curriculum. “Many business schools model themselves after who they perceive as their ‘peer’ institutions. If selling is not a part of the peer group curriculum then it must not be important,” says Rhodes.

One of the original apotheoses of this prejudice against sales was Peter Drucker, arguably the most influential academic and author on the general subject of management. Drucker was unwaveringly hostile to the sales profession and in his landmark book *Management: Tasks, Responsibilities, Practices*, famously wrote that “the aim of marketing is to make selling superfluous” and that “the right motto for business management should increasingly be ‘from selling to marketing.’” Needless to say, if Drucker were right and sales is superfluous and destined to be replaced by marketing, there’s obviously no value in either studying or teaching it. As the chart above demonstrates, sales continues to grow.

Unfortunately, the nature of the academic environment, with its emphasis on tenure and seniority, resulted in an entrenched generation of business school professors trained in Drucker’s theories and thus inclined to think of sales as marginally important.

## SUMMARY:

- Business leaders viewed sales as a trade rather than a profession.
- Selling was seen as a reproducible behavior similar to factory work.
- Management theorists, led by Peter Drucker, saw sales as unnecessary.
- Researchers did not see selling as a proper subject for scholarly study.
- Universities and colleges ignored sales in favor of marketing.





## Sales as a Profession

Over the past century sales has evolved from a “Trade” (distributes products - Sales 1.0) to a “Technology” (Sales 2.0) to a Profession (Sales 3.0)

When Drucker did the bulk of his work, the great challenge of American business was the building of the great consumer products companies including retail products, generic pharmaceuticals, clothing chains, and so forth. The United States, followed quickly by the rest of the world, was moving away from an environment where (for instance) small products like vacuum cleaners and brushes, could be cost-effectively sold door-to-door. The trend was toward “big box” consumer stores, where marketing and demand creation was far more important than the point-of-contact salesperson, who in such situations simply served a clerical role.

The nature of consumer selling was changing so that the only products for which it made sense to have dedicated salespeople were high ticket items, such as houses and cars. Even fairly expensive items, like washing machines and televisions, were becoming commodities. As a result, companies that focused on consumer goods had one overriding goal: to reduce labor costs and salespeople (who weren’t seen to add much value) were an obvious target.

When Drucker was formulating his theories, companies tended to be vertically structured, with their own internal supply chains. Since then, of course, companies have outsourced their supply chains creating a complicated web of business

“The lack of respect for sales research spills over to the teaching side with faculty choosing to relegate sales teaching to part time business or adjunct faculty freeing up more positions for tenure track professors better suited to teach consumer behavior, marketing strategy or new product innovation and who are doing research in these areas.”

- *Leff Bonney*

Assistant Professor at Florida State University, and a member of the Sales Education Foundation.

HISTORY	MODERN	THE FUTURE
Sales 1.0	Sales 2.0	Sales 3.0
Messaging is salesperson’s responsibility	Based upon proven, common methodology	Sales Will Meet Professional Criteria Education Standards Specialization Certification
Ad hoc/ event-driven development	Planned Conversation	Sales 2.0 Will Drive Better Results Sales Research Drives Better “Science”
Sales Pitch	Relevant conversation	
Vendor/ product	Address customer needs and issues	
Salesperson as product expert	Trusted advisor and coach	
Static text and documents	Dynamic visuals, audio and multimedia content	
Media programs created by production professionals	Programs assembled by front line	
Presentations	Visual support for conversations	
Training Events	JIT continuous coaching	
Sales support through in-person calls	Web Assisted Selling	

relationships, each of which needs “managing” – a responsibility that typically falls to a supplier salesperson. Thus, while today the great consumer companies continue to dominate the very top of the Fortune 500, each represents the end of a complicated process of inter-company selling. Firms like Wal-Mart are like the mouth of the Mississippi River – huge and impressive, but most of the “water” (in this case the supply chain and the sales activities that go on there) is actually upstream.

The increasing importance of outsourcing and complicated supply chains created the need for outsourced managers (i.e., sales professionals) who understood business and could bring an entrepreneurial attitude toward managing the connection between buyer and producer. As a result, in the decades since Drucker wrote that indictment, sales has, if anything, become more important.

In fact, today’s selling environments place extraordinary demands on the sales professional. Not only do they need the traditional people skills that have always been essential to selling, but they’re also being asked to build solutions that meet customer needs and establish themselves as “trusted business advisors” and even specialized technical experts with each customer account. Not surprisingly, many salespeople (and the organizations employing them) are losing customers and missing new opportunities because of a lack of the basic business knowledge required to understand and address their customers’ true needs.

Equally important, wholesale changes in the technology underlying business transactions have fundamentally altered the way that businesses operate with one another. Business to Business communications have gone from episodic (telephone calls, memos and faxes) to instantaneous (social media). Information about products and services has gone from hand-delivered brochures to “always available” web pages. Interaction between customers has grown from user groups that meet once a year to online communities where every day brings a new complaint or opportunity. Simple supply chains held together with paperwork and corporate lore have been replaced by just-in-time inventories that squeeze both waste and cost out of the entire system.

Nowhere have these transformations had a bigger impact than on the role of the sales professional. Traditionally, salespeople were the point of contact and purveyors of information. They carried information to the customer, did some

selling, and then carried the order back to their employer. Sometimes the rep would work to make certain that the order was fulfilled and serviced correctly. But the main thing was to make the sale and then move on.

Today, sales professionals are being asked to create solutions and manage their delivery. Consequently, the selling function has been gradually transformed from just a a people-oriented job into a business-oriented job with strong associated people skills (like the ability to maintain long-term business relationships.) Sales professionals are now expected to become trusted advisors, consultants, and outsourced managers who can work with customers to improve the customer’s own business. In this new collaborative environment, selling means cultivating and maintaining a business partnership rather than simply selling a big-ticket item. As a result, their role has become more critical and less fungible which ultimately changes how they are compensated to a higher secure pay versus high variable compensation.

“The traditional ‘informational’ sales call has become obsolete,” explains Gerhard Gschwandtner, publisher of *Selling Power* magazine. “Customers now want sales reps to be trusted advisors to help them sort out specific problems and determine specific solutions that can be implemented quickly and cost-effectively.” Gschwandtner further points out: those customers want sales reps to be able to provide unique expertise and perspective on solving the customers’ problems or helping customers to achieve business goals. “This is only possible, however, when the sales rep has a strong understanding of the customer’s business and of the rep’s own company as well.”

## SUMMARY:

- Businesses were originally structured vertically.
- Such businesses were primarily concerned with demand creation for end products.
- Outsourcing of the supply chain creates many B2B relationships.
- Sales pros are required to create, maintain and manage these relationships.
- Sales jobs were transformed from providing information to creating solutions.



## New Demands on Sales Training

As a professional, customers expect salespeople to manage the relationship, understand their business, and provide value beyond the products or services they sell

However, it is impossible to become a “trusted advisor” or outsourced manager without a deep understanding of the two elements of a business partnership: 1) the way that the customer’s business works, including understanding their market and customers, and 2) the way that the sales professional’s own business works. For example, suppose that a sales professional is attempting to become the replacement vendor to an electronics manufacturer. There are three likely approaches:

### 1. Discounting

To get into the account, the sales professional offers the customer a 10 percent discount below what the current supplier is charging. Unfortunately, this rep doesn’t realize that the cost of the plastic represents only a tiny fraction of the manufacturing cost. In fact, it’s probably going to cost the manufacturer more money (in terms of paperwork and hassle) to change suppliers than will be saved through the discount.

### 2. Solution Selling

The sales professional consults the manufacturer’s SEC filings and discovers that a strategic goal is to reduce inventory cost by 20 percent. He discovers that the manufacturer is currently renting a warehouse full of plastic ready for when big orders come in. To get into the account, he proposes to eliminate that level of inventory through a just-in-time delivery scheme. This reduces the customer’s inventory cost by three percent – helping to achieve an important corporate goal.

### 3. Strategic Partnership

The sales rep does everything involved in the solution selling strategy but also knows that her own company has one of the best inventory control systems in the industry, which has

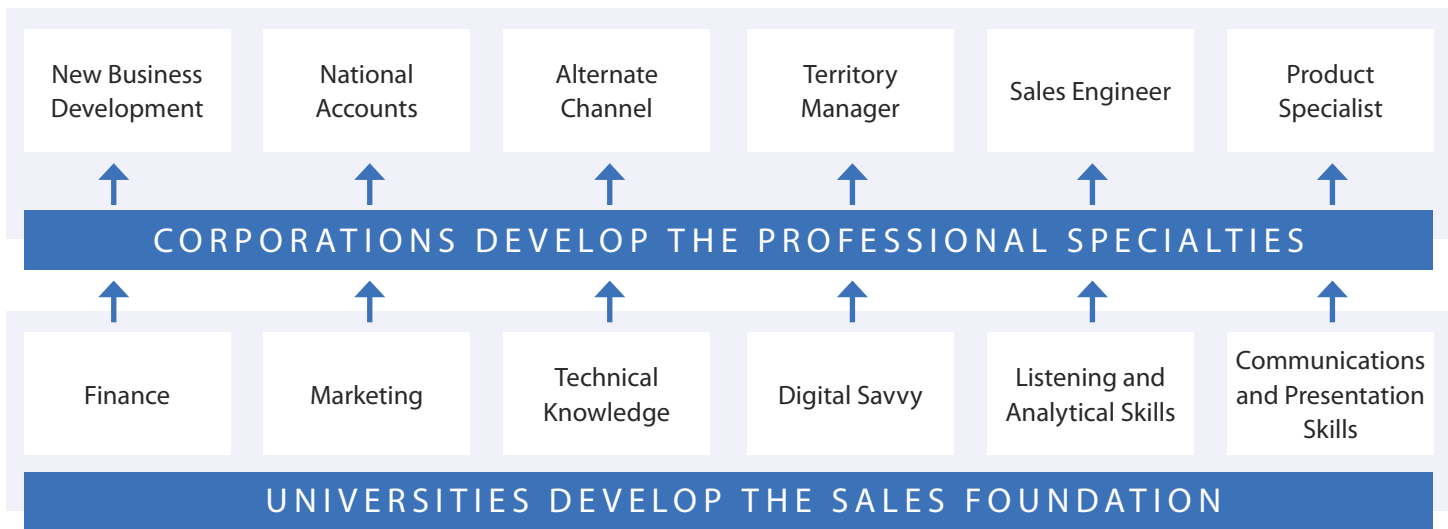
significantly impacted her own firm’s profitability. She offers not just to be a supplier but also to help the manufacturer incorporate her own company’s inventory methodology. In another instance, she may also find solutions that could help this customer through her relationship with another (non-competitive) customer who is willing to share.

While there are still major companies that generate business through aggressive discounting, it’s an approach that is proving increasingly difficult and often ineffective. Not because it can’t be done with very tight management controls, but because it creates a downwardly spiraling price war with other competitors, so in the end no one wins. Today, customers can get comparative price information with a few keystrokes and, as a result, discounting and other price-oriented sales strategies have become increasingly vulnerable to price wars and ever-shrinking margins.

While solution selling is more likely to result in more profitability for the seller’s firm, there’s no question that a strategic partnership is far more likely to forge the kind of business relationship that will continue to create a profit over a long period of time. However, strategic partnerships put a much greater demand on the sales professional to understand larger business issues, well beyond the product or service being sold.

Clearly, salespeople are no longer walking catalogs whose main functions are to inform customers about product updates and fill out customer order forms. In today’s business climate, salespeople are heavily involved in new product and/or service development, supply chain management, and strategic planning (both within their firm and in the customer’s company). In reality, salespeople are more like entrepreneurs - managers





of their own business servicing the connection between the corporate buyer and corporate vendor.

“Today’s salesperson needs to be able to analyze a customer’s current operation and recognize areas for improvement, then link available resources (or potentially available resources) in a way that can solve the customer’s problem and help produce a profit,” explains Leff Bonney. “This changes the skill sets of the sales force dramatically, away from a dependence on interpersonal communication and expanding toward a deeper understanding of business issues. Pragmatically oriented academics can play a major role in clarifying what these new skills are, how they can be measured and most importantly, how they can be taught by combining sales education with education in other areas of the business school, namely entrepreneurship and project management,” Bonney says.

Another change in the sales environment is the need for team selling, according to David Roberts, Assistant Professor of Marketing at the University of North Carolina, Chapel Hill, and also a member of the Sales Education Foundation. “In the consultative space it’s team buying, therefore it’s team selling [where] five or ten years ago, it was much more of a solo sport,” he explains. “A lot of the exercises and assignments that we do are around how you work as a team [such as] how you prepare a sales call ... as a team? How you present ... as a team?”

Roberts believes that the resulting collaborative relationship helps ensure long-term, profitable customer loyalty by putting the selling activity into a deeper and broader business context. “Creating situations where the seller’s specialized knowledge and perspective becomes strategic to the buyer’s long-term success is far outside the realm of traditional sales training, either internal

or as presented by most sales training firms,” he explains.

In other words, sales is increasingly becoming a research-based profession, like engineering, finance, and human resources. Sales jobs now require both general business knowledge and a higher level of integration between the sales function, and other functions (marketing, engineering, accounting, etc.) inside both the buyer’s firm and the seller’s firm. As such, a career in sales is increasingly being viewed as a viable option for college graduates, both in business and other disciplines. At the same time, sales professionals are finding that, in order to remain relevant, they require the kind of general business knowledge traditionally taught at the college and university level.

The next three sections of this brief will deal with the phenomenon of sales courses presented in an academic environment. Subsequent sections will discuss the use of academic resources as a career move for sales professionals looking to increase their business acumen.

## SUMMARY:

- Solution selling requires a greater level of business acumen.
- Solution selling also requires high-level communication skills.
- As deal complexity has increased, team selling has become more important.
- Sales has become a profession more similar to engineering than factory work.
- This transformation demands both deeper and broader sales training.



## Why Academia is Embracing Sales

After decades of neglect, academia (in general) and business schools (in particular) have recently begun taking sales more seriously. Not surprisingly, it's "customer demand" (in this case from the students that pay the bills) as well as the companies that seek to hire them that's driving much of the change. At the undergraduate level, the Sales Education Foundation, ([www.saleseducation-foundation.org](http://www.saleseducation-foundation.org)) which tracks universities that have a defined sales program, has found that these programs are growing at a rate of ten to fifteen per year.

This demand also expresses itself at the graduate level in MBA rankings (e.g., *Business Week's* annual ranking of MBA programs) that have become an important driver of curriculum changes at the master's level, according to Bonney. These rankings depend heavily upon student input, making business school administrators much more responsive to student demands in developing curriculum. "In fact, in the first four years of the Sales Education Foundation working to assist universities to offer sales programs, the number of schools participating has grown by over 40% per year," says Bonney.

In other words, when students and prospective students identify a need for more practical training, it's not surprising that academics have begun to question their prejudice against preparing students for highly compensated sales positions. "As companies have come to campus looking for undergraduates or MBA students with some knowledge of the sales process, (for example at university sales competitions) business school administrators at both the undergraduate and graduate level have adjusted accordingly," says Bonney.

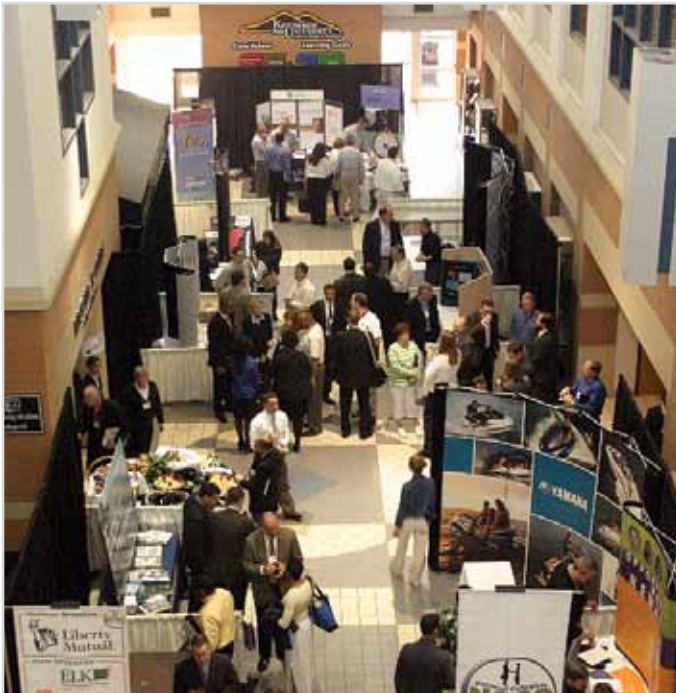
In any case, the argument against: that sales is "vocational," is fundamentally flawed, according to Bonney. "At the undergraduate level, an accounting degree is akin to learning basic bookkeeping skills," he says, making the point that business schools should be teaching vocational topics because they owe it to the student body to teach tangible skills that can be used to better their lives and the lives of those around them. "After all, business is an applied science and to only teach theoretical perspectives that are not actionable seems just plain wrong," he says.

According to the American Society for Training and Development, investment in employee training enhances a company's financial performance:

- An increase of \$680 in a company's training expenditures per employee generates, on average, a 6 percent improvement in total shareholder return.
- Based on the training investments of 575 companies during a three-year period, researchers found that firms investing the most in training and development (measured by total investment per employee and percentage of total gross payroll) yielded a 36.9 percent total shareholder return as compared with a 25.5 percent weighted return for the S&P 500 index for the same period. That's a return 45 percent higher than the market average.

These same firms also enjoyed:

- higher profit margins,
- higher income per employee, and higher price-to-book ratios.



The National Collegiate Sales Competition

The problem, of course, is that as the role of the sales professional becomes more complex, it puts additional burdens on sales managers. “Most sales training companies specialize in sales and so sales management training becomes nothing more than teaching managers how they can get salespeople to leverage their new found selling skills (coaching),” Bonney explains. However, because sales professionals are now supposed to be deeply involved in strategic situations, their sales managers must also be well versed in analyzing financial statements and so forth.

A difficult economy will also drive interest in sales as a part of the business school curriculum, according to Rhodes. “The students and their companies see the real need to drive revenues from the street level,” he says. “The students also realize their immediate future could depend upon their understanding of how to generate sales through all channels.”

Another driver of change is the growing amount of scientific research in the area of sales and sales behavior.

For example, Dr. James Oldroyd (from the Korean business school SKK GSB) recently examined and analyzed the electronic logs of more than a million cold calls, made by thousands of sales professionals inside approximately 50 companies. Using algorithms originally developed to examine the spread of infectious diseases, Oldroyd discovered, for example, that when qualifying a sales lead as potential customer, a sales

professional is 19.1 percent more likely to succeed on Thursday than Friday. Similarly, attempts to “convert leads” from 8 to 9 am are 164 percent more likely to succeed than attempts undertaken from 1 to 2 pm. Oldroyd discovered that incoming leads (like from a website) had a very short “half life” and often became stale (and unlikely to convert) within a few minutes.

Another fertile area for academic research is the psychology of perception, according to neuroscientist Stephen M. Kosslyn, the Director of the Center for Advanced Study in the Behavioral Sciences at Stanford University. “Over the past few decades, we’ve learned a great deal about how the mind works and how people retain information,” he explains. “Presentations that follow psychologically sound rules and guidelines are both more likely to be remembered and more likely to persuade.” Kosslyn’s research into how audiences perceive visual data, for example, revealed that, contrary to popular belief, graphics inside sales presentations are only effective if they’re used to illustrate relative amounts, and even then should be used sparingly and when the audience is familiar with that type of graphical representation.

This is not to say that the traditional prejudice against sales is entirely dead within academia. “Many of the students want to call sales by another name like ‘Relationship Marketing,’” says Rhodes. Even so, students and academics alike “are starting to grasp the fact that it is important to have more than just an academic understanding of this function and more importantly that sales itself is a standalone function.”

## SUMMARY:

- Businesses are demanding that academia include sales in the curriculum.
- MBA rankings force business schools to offer more practical courses.
- Sales management is now seen as a valid specialty for management training.
- Groundbreaking research on sales is taking place within multiple disciplines.
- Academia is therefore playing a larger role in training sales professionals.





## Academic Sales Courses vs. Traditional Sales Training

As the financial pressure on the education system continues to increase, universities look for additional revenue sources and sales programs to attract corporate dollars, as well as increase student fees.



*Sales Student Workshop*



*Interviewing Role Playing*

The academic environment provides significant advantages over traditional sales training both internally and externally. “Studying sales in an academic environment will provide the student with some key analytical tools in terms of addressing and approaching sales problems and opportunities,” according to professor George Cook, Executive Professor of Business Administration at the Simon Graduate School of Business at the University of Rochester.

Cook cites the examples of determining sales potential on an account-by-account basis and fully understanding time management to allow the salesperson to maximize their selling time opportunities. Cook also believes that sales professionals can benefit from the case study method that’s commonly used as teaching tool in business school curricula. This allows sales professionals to “study, evaluate and analyze via the case study method various companies and the respective sales challenges they have faced.”

In addition, studying sales in an academic environment allows it to become an integrated component of all functional departments within the business school, along with accounting, finance, human resources, management, as well as other schools in the university, such as engineering, or applied sciences, where many graduates will have to interface with real customers in their careers rather than just work behind the scenes. For these students, including a “certificate in sales” along with their major or another minor greatly enhances their attractiveness to business recruiters. “With team learning, case competitions, and global inclusion becoming a bigger part of the learning process, the academic environment is clearly positioned for this need,” says Rhodes.



“There is also the potential for professors to teach best-in-breed processes. Some training companies may be better at teaching prospecting skills with their ‘proven method’ while others are better at teaching needs discovery. As professors learn about the various methodologies being offered by different training companies, they are able to put together a curriculum that incorporates multiple best practices for each stage of the selling process.”

- *Leff Bonney*

Assistant Professor at Florida State University,  
and a member of the Sales Education Foundation.

Another advantage is timing. Sales training companies tend to train working salespeople who have been immersed in product training and may have formed bad sales habits. “We are conducting a study that shows that salespeople are slower to learn effective selling skills when they are given heavy doses of product training before training on selling skills,” Bonney explains. “Salespeople with heavy product knowledge are more prone to lean on product knowledge in sales calls and neglect to do a thorough job of uncovering customer needs before offering solutions to perceived problems.”

Another advantage to sales being taught in an academic setting is that the classroom can (and should) also serve as a “laboratory” for studying the practices that truly are effective in creating value and convincing the customer of that value, Bonney points out. “All too often, training programs

are based on programs that used to work for IBM or Xerox,” he says. “However, what if these methods only work in certain situations, contexts or industries? Where is the research to back up the validity of these programs? More importantly, where is the research to show where these methods don’t work?”

Ideally, academics will use their classrooms to build contingencies that show students that a certain method works well under certain conditions without worrying about contradicting a ‘standardized’ training program, says Bonney. He cites the example of a practicum class where students are assigned a territory and they challenged to cultivate prospects for potential sponsor of our sales center. “The students even go as far as to make a sales presentation to qualified prospects and are awarded financially if they land a new sponsor,” he explains, adding that “FSU is not alone in exposing students to a broad array of selling situations.”

## SUMMARY:

- Academic environments expand the scope of sales training.
- Integrating sales with other disciplines increases the training’s value.
- Professors can pick and choose from sales methods and techniques.
- Colleges and universities can function as laboratories to test sales concepts.



*Typical University Sales Lab*



*The Professional Demeanor of Sales Center Student Officers*



## Challenges Facing Academic Sales Courses

“The goal of the establishment is to protect the status quo”

This is not to say that all academic institutions are doing a good job of incorporating sales into their curricula. Many institutions, for example, are not prepared to deal with the impact of technology on the sales environment. “While sales educators are able to build best-in-breed programs using components of different training programs available in the market, information about selling issues moves into academia slowly at times,” Bonney explains. He cites the example of SFA, which has “only recently been introduced” as a significant portion of academic sales training.

The exclusion of sales-oriented technology from the academic curriculum seems, frankly, ludicrous to those outside of academia. CRM (the successor to SFA) has been a primary driver of the Software as a Service (SaaS) or “cloud computing” trend, and comprises one of the world’s largest software markets. According to the market research firm Gartner, the worldwide market for CRM will exceed \$12 billion by 2014. As huge as it is, that figure doesn’t include the use of other technologies, like tablet computers, contact management software, marketing software, and so forth, all of which command similarly huge sales.

This vast influx of new technology demands new skills and new kinds of training, according to Roberts. “Salespeople now use technology to research the customer, and to contact customers and prospects. They can now get detailed information on anybody so that [a cold call] is not a cold call anymore. There are a lot of new skills, which frankly don’t necessarily exist out there in the field.” Clearly, with technology playing an increasing role in the sales environment, academia cannot afford to ignore its impact.

Another challenge is methodological. “One of the main complaints of university sales competitions is that the role-plays are more like acting than actual selling,” explains Bonney. “Sales educators are challenged to bring the real-world into the classroom as much as possible in order to mirror actual sales training that exists outside of universities.”

In addition, many business schools and business courses rely heavily on case studies, even though it’s often unclear whether the past experiences of companies are entirely relevant to current situations. In the book *Managers Not MBAs* Henry Mintzberg pointed out that “the MBA trains the wrong people in the wrong ways with the wrong consequences.” Mintzberg, Professor of Management Studies at McGill University, echoes concerns that the training provided in business schools may turn out to be impractical in the real world.

Other critics have argued that there’s too much emphasis on management theory, a subject matter that can be wonky and faddish. For example, one course at a venue as significant as the Harvard B-school promises to teach students how to address “cannibalization, network externalities, and globalization” and “generate superior value for customers by designing the optimum configuration of the product mix and functional activities.” While there’s probably something being taught in that class, the course description seems to be little more than a string of important-sounding buzzwords.

Class sizes are also beginning to become a challenge for university-level sales education, according to Bonney. “As public university and college budgets have been reduced, class sizes of continued to swell which presents unique challenges for sales educators,” he says. Unfortunately, sales is

a topic that requires a great deal of hands-on coaching and feedback which becomes difficult when classes sizes exceed 25-30 students.

However, class size can be addressed by the simple expedient of limiting class size for sales-oriented programs, according Linda Richardson, the founder of Philadelphia-based Richard-



**Sales Education Foundation**  
Elevating the Sales Profession Through University Education

The Sales Education Foundation (SEF) is committed to elevating the sales profession through university programs by:

- Working with recognized universities to offer researched, relevant curricula for students
- Aligning and improving employment choices by identifying sales specialties and networking top candidates with respected organizations
- Fostering and advocating long-term professional sales practices through the funding of research and ongoing education.

The SEF provides support to students, faculty, and companies by:

- Increasing engagement between industry and academia
- Sponsoring the annual Sales Educators' Academy
- Providing over \$15,000 annually in research grant funding
- Partnering with ThinkTV, a public television station, to create content for universities and companies
- With annual rates of 90%, sales students experience twice the national average for college graduate job placement.

Learn more:

[www.saleseducationfoundation.org](http://www.saleseducationfoundation.org)

**Facebook:** <http://www.facebook.com/USEF>

**Linked In:** Type in Sales Education Foundation

The Sales Education Foundation is a component fund of The Dayton Foundation.

son, one of the largest sales training firms in the United States. She also teaches how-to sales courses at the Wharton School of the University of Pennsylvania. "We limit our program to 15 students and every quarter I get dozens of emails pleading to get in and students waiting at the door to see if anybody drops out," she says.

The growth of sales training inside academic environments is not going to happen overnight, though. There are presently about fifty schools that seriously have sales embedded into the curriculum, according to Rhodes. Outside of that core (See Sidebar: Sales Education Foundation), individual business schools are at different stages of their development and acceptance. "Sales is generally not a part of the core curriculum," says Rhodes.

However, the overall trend is not just toward greater inclusion, but toward an expansion of interest in sales to the rest of the academic community. "Without question, there is a role for other academic disciplines in sales curriculum development," Rhodes explains. Bonney agrees: "The role of other disciplines is huge for advancing sales curricula. Sales researchers and teachers alike should have knowledge from different academic areas [and] good salespeople need to understand buyer psychology and behavioral economics, entrepreneurial opportunity recognition, supply chain issues, and financial information, and so forth."

## SUMMARY:

- Academia tends to lag in the area of sales technology.
- College courses can depend too heavily upon role play.
- Some business schools are prone to follow management fads.
- Some MBA programs have class sizes that are too unwieldy for teaching sales.
- Business schools do not generally see sales as a core subject.



## Do Sales Professionals Need an MBA?

The, as yet, unsolved dilemma

While college and universities are slowly adding sales to their business school curricula, seasoned sales professionals are also turning to colleges and universities to provide the additional business knowledge that they require to continue to add value to the business relationship.

Increasingly, a sales professional must be able to stand toe-to-toe with the senior managers who are often the shared decision-makers inside a customer firm. In such situations, it is greatly to the advantage of the sales professional to be able to “talk the same language” as the executive, who is likely to have an MBA and wants to speak with sales professionals who can hold their own in a business-oriented discussion, using familiar concepts and terminology.

For example, suppose a sales professional has all the key decision-makers in the room. Suddenly, the CFO – up until now a tight lipped presence in the background – brings up a major objection to the sale: “I’m sorry, but the statistical analysis of our quarterly forecasts over the past three years suggests that our overall cash flow won’t support the payment of the ongoing license fee.” The sales professional realizes, of course, that he’s saying that they don’t have enough money. However, when the sales professional tries to negotiate, the CFO stone-walls and starts talking about amortized cash flow. Unless the sales professional has some accounting knowledge, he’s likely to end up looking foolish.

Unfortunately, although business acumen is being added to their offering, most traditional sales training firms are simply not capable of teaching the kind of detailed business knowl-

edge that’s required for this kind of higher level consultative selling. Because they’ve historically focused on sales techniques that can be taught over the course of a few days (at most), they’re not really capable of providing the kind of background information, management theory, basic accounting, and so forth that can help a sales professional become a better “outsourcing manager.”

While sales training firms realize that general business knowledge is important, they tend, when addressing the subject matter, to fall back on what they know best: tips and techniques, motivational speaking, and so forth. There are some sales training firms that use games and even video games to attempt to train general business principles; such efforts are often inferior to the educational experience provided in a business school environment.

This is particularly true when it comes to preparing sales professionals for a management role. Bonney tells the story of how he recently attended a meeting of CEOs and VPs of Sales. “When they heard that we had a sales program, many of them were quick to ask about our program as it relates to sales management. As one CEO put it: ‘I can hire one of a hundred different training companies to teach selling skills to our organization but these same training companies do a terrible job of training sales managers.’”

Rather than trying to expand sales training into a general business education, some sales training executives are forging closer bonds with the academic community in order to create a more holistic relationship between sales training and business



education. For example, Linda Richardson (mentioned above) is one example. Another is Howard Stevens, co-author of this special report, through his personal relationships within the academic community and through his sponsorship (with Chally Group Worldwide) of the Sales Education Foundation.

The gold standard of business education, of course, is an MBA, and it is not at all unusual for a sales professional to see an MBA as a way advance his or her career, especially when looking to enter sales management, according to George Wentworth, former Assistant Director of the Online College for Brenau University in Gainesville, GA. "MBA programs help students acquire the leadership skills that they'll need to move to the next level," he explains. "A salesperson with his eyes on a job in sales management will gain essential skills in management, marketing, human resources and organizational behavior."

Even for salespeople who aren't looking for a management position, an MBA can mean more money. Some companies have automatic pay scale increases based upon the level of education, according to Dr. James Dorris, formerly the Academic Chair of the MBA program at Jones International University in Centennial, CO. He estimates that the typical MBA graduate will make 30 percent more money in total lifetime earnings over a person holding just an undergraduate degree. "Obtaining an MBA allows you to better communicate and network with people in other businesses, people who are making buying decisions based upon economic, accounting, and personnel issues," explains Chuck Gurden, Vice President for Graduate and Online Admissions at Baker College in Flint, MI.

It must be emphasized, however, that most sales professionals will not require a full MBA in order to add more value to their customer relationships. For one thing, the MBA was originally designed to bolster administration capabilities and deeper understand of the back office operations. While understanding those processes may be critical in forging internal relationships that protect the customer's interests, it may be less important than being able to act as entrepreneurs to help customers create and cement their own continuing business model.

Cost can also be an issue. MBA programs run the gamut from under \$10,000 to over \$100,000, according to Bear, who emphasizes that the pricier degree is not necessarily ten times better than the cheaper version. "In many cases you're paying for the cache connected to an Ivy League name rather than

the quality of the education you'll receive." Fortunately, some employers will pay part or all of tuition for employees seeking degrees relevant to their work. However, salespeople will need to work with their management to be certain that tuition will be reimbursed. "It is absolutely crucial that salespeople perform due diligence," Bear insists.

Another factor is the time commitment. Earning an online MBA can take anywhere from one to three years, depending upon the nature of the course work and the amount of time the salesperson is willing to spend each week. To make matters more challenging, many MBA programs require additional courses if the salesperson lacks an undergraduate degree in business administration. Online MBA students can end up spending between ten and fifteen hours a week on course-work. Pile that workload atop of the schedule of the typically hectic sales rep and it's obvious that online MBA programs aren't for the unmotivated.

In other words, it may be more advantageous to the sales professional to pick from a "menu" of courses that are likely to prove useful, rather than plan on getting a full MBA degree.

## SUMMARY:

- Sales professionals require general business knowledge to sell at a high level.
- Sales training firms are not generally capable of providing this kind of education.
- Sales professionals sometimes earn MBAs in order to accelerate their career.
- An MBA can help a sales professional into a sales management position.
- Most sales professionals only require some business courses, not an MBA.



## The Online Alternative

### A look into the future?

While a business education can result in career advancement, salary increases, and clearer understanding of the customers' businesses, it isn't always a practical option for hardworking salespeople, especially those who have heavy travel schedules. As a result, many sales professionals opt to enroll in online programs that allow them to study at their own pace. Some of the world's top colleges and universities (not to mention a wealth of smaller, fully accredited colleges) now offer online degrees and courses, both of which are now considered as valid as those earned in the classroom, according to Nancy Stevenson, author of *Distance Learning Online for Dummies* (IDG Books, 2000).

State-of-the-art online instruction creates a learning environment that is, in some ways, superior to the traditional classroom, according to Bryan Burgett, Assistant Director of Admissions at Indiana Wesleyan University in Marion, IN. For example, in the classroom, it's not unusual for a few individuals to dominate discussions, often to the detriment of the quieter students. By contrast, many online programs use social networking and other technological tools which encourage communication between the students in the program. "Online learning creates a level playing field for people who need time to consider their responses," explains Burgett.

While most business schools have classes in marketing, for instance, some tend to be highly theoretical, focusing on research that might lead to a Ph.D. "Salespeople need courses that focus on real-world scenarios rather than just memorizing facts and figures and regurgitating them on an exam," Burgett advises.

Salespeople especially need to be leery of online business education courses from schools that aren't accredited. Most employers won't accept unaccredited degrees when it comes to career advancement. In addition, credits earned at unaccredited institutions will not transfer to other institutions should the student want to pursue a degree. Thousands of people get roped into such programs every year, according to Fred Taylor, Graduate Advisor for the College of Business at Florida Atlantic University at Boca Raton, FL. "I've had students complain that they went to another school, did all the work, and then found out that the school wasn't accredited," he warns.

One word of warning: while online courses may be appropriate for learning general business knowledge, they are NOT generally useful for teaching sales techniques. When developing the skills in specialties such as engineering, medicine, and sales, actual hands on doing or practicing is crucial. Face-

Online programs are not created equal, though. "Salespeople work in the real world and need a program that focuses on real world experience,"

*John Bear, Ph.D.,*

*Author of Bears' Guide to the Best MBAs by Distance Learning (Ten Speed Press, 2000).*

to-face interactive lab sessions are the most important part of the educational and training environment. In sales, these generally consist of video-taped observation environments where students are recorded in real or simulated role-played sales situations and then reviewed immediately after.

There are also extended real practice opportunities, under the personal observation of expert coaches in the form of internships which are also a requirement. Just like medicine, theatre, teaching, or any of the other “applied” specialties (versus theoretical learning) online education does not generally adapt well to teaching sales. Even more valuable are internships that involve working in an actual sales job with a real sales force, an element that many college sales programs require.

This is not to say that online training cannot be part of a comprehensive sales training program. In fact, online training can be an effective way to reinforce classroom instruction that includes traditional role-play and other in-person training techniques, according to Richardson. “It helps if they’ve made themselves familiar with the material that’s going to be taught before they show up for class,” she says, adding that “the most economical and effective way to do this is through online methods.”

The growing rapprochement between Sales and Academia has enormous implications for sales managers, sales professionals and the academic community. The final segments of this special report provide specific recommendations for these groups.

## SUMMARY:

- Online business schools represent a valid alternative to brick and mortar schools.
- Sales professionals must ensure that an online program is appropriate for them.
- Care must be taken to avoid unaccredited online programs as well as degree-mill scams.
- Online training is NOT appropriate to teach sales techniques.
- An online component may be part of a comprehensive sales training program.



University filmed role-play exercises



University Sales Learning Center Boardroom





# SUCCESS

## Recommendations

### For sales managers

Perhaps the biggest impact will be the increasing availability of college graduates who have already taken courses in sales. The growth rate of these sales-trained college graduates, since the SEF started tracking, exceeds 40 percent a year. These candidates are of high value because:

- They ramp up more quickly. On average, sales-trained college graduates become productive in their new positions 50 percent faster than new college graduates who did not take sales courses. This both reduces the overall cost of hiring and increases the amount of revenue generated by the sales team.
- They are less likely to leave. Sales-trained college graduates are 33 percent less likely to leave a sales job (either voluntarily or involuntarily), possibly because they're generally more successful and thus both more satisfied and more valuable to retain. This is important because it leverages the investment made in recruitment and training.
- They are more likely to become top performers. Follow-on studies of sales-trained college graduates indicate that they are highly likely to reach the top 20 percent of performance in their new sales force within two years. Top performers are, of course, famously responsible for the bulk of a sales team's revenue generating capability.
- They reduce the cost of sales. Research indicates that, overall, a sales-trained college graduate will save an employer over \$200,000, on average within 2.5 years. This is in addition to the greater amount of revenue generation inherent in hiring candidates who become productive and reach the top tier more quickly.

Not surprising, over 500 companies have provided funding (ranging from \$5,000 to \$200,000 annually) to help support these programs and to obtain access to candidates who have gone through these programs.

*"If I were looking for an MBA, I would attempt to contact the university and to talk to the chair of the program. If that proved impossible or took forever, it would let me know whether they're serious about my business."*

*- Dr. James Dorris*

formerly the Academic Chair of the MBA program at Jones International University in Centennial, CO.

### Sales Professionals

Needless to say, college students looking toward a career in sales should consider attending a college or university that includes sales as part of the core business curriculum.

The following recommendations are for sales professionals who have already entered the job market and want to increase their general business knowledge:

- Before attending any business courses, sales professionals should first assess whether the program is appropriate for salespeople. Some business schools have a highly academic slant, with very little emphasis on the real world. Sales professionals should generally avoid such programs in favor of those that emphasize real-life case studies and hands-on examples and real "lab" experience. Programs with multiple classes in marketing, sales techniques and negotiation are likely to be more useful to salespeople than programs that emphasize management theory or other research-intensive subjects.
- When considering a course or program, it's essential to confirm that the faculty will be responsive to the needs of the sales professional. A good online business education



program will always have a live instructor available to answer questions and talk with students via phone and via email. In addition, the school itself should also be accessible to online students.

- Due diligence is also required when looking at costs, which can vary wildly between different programs and business schools. It cannot be emphasized strongly enough that the most expensive programs are not always the best. State schools often charge out-of-state students vastly more than in-state students, even if all the work is performed across the Internet. Because of this, the best deal may be a college or university in the state in which the would-be student resides.
- Another issue, when looking at business programs for seasoned sales professionals is whether or not the program is state-of-the-art. A business course should ideally include variety of instructional materials and methods. A good online business course should include streaming videos, online interaction, social media and a wealth of additional information for researching projects, and so forth. Sales professionals should always examine the sample course materials before paying tuition fees.

### Academic Community

It's clear that colleges and universities are going to be playing an increasing role in sales training. Not only will they begin to include sales as part of the regular business curriculum, but they'll be seen as a resource for seasoned professionals to gain the wider business experience required to forge strategic business relationships.

The academics on the forefront of this movement must continue to move the agenda forward, according to Bonney. "Sales researchers need to do a better job of pulling from these perspectives to develop new and better insights into successful selling and then use these findings to develop better curriculum," he explains. "A weakness of the current body of sales research is that it is too focused on the persuasive, interpersonal aspects of closing a sale and short on research looking at everything else a sales rep must do in today's business climate."

A good way of supporting the integration of Sales with Academia is to support the Sales Education Foundation. The SEF was established as a non-profit foundation to promote the profession of sales through colleges and universities with

verified sales education curricula. Now operating as a component fund of The Dayton Foundation, the SEF is working with a variety of industry professionals and academic trailblazers to establish and support effective university sales programs throughout the globe. Foundation initiatives over the years have included:

- The Science of Sales – Partnered with ThinkTV, a public television station, to develop a three-part series that addresses the complexity of professional selling.
- Curriculum Development – Created advanced courses in selling including presentations, faculty manuals, textbooks, videos, case studies, readings, student manuals, and collateral. Topics include strategic selling and World Class Sales.
- Top University Sales Programs – Created an annual magazine that highlights individual university efforts to professionalize sales, including a list of SEF-approved sales programs.
- Free Sales Assessments – Chally Group Worldwide offers free assessments career match to juniors and seniors in which of the six different sales roles, most appropriate for new salespeople, would be the best match according to their own potential programs, which provides students with insight into their natural abilities and identifies career potential, encouraging a successful post-college interview process.
- Sales Research – Manages a continuing survey of sales program graduates in cooperation with Ohio University, allowing a reverse-engineered sales curriculum to be developed. Other research projects include topics such as onboarding, sales lifestyle benefits, and student success.
- International Training – Partnered with Dayton's public television station to create curriculum for training international salespeople. The week-long certification program will be taught by faculty members from university sales programs.
- Educational Materials – A sales curriculum is available to universities for a nominal fee for use in graduate and undergraduate sales programs. In addition, copies of Howard Stevens' book *Achieve Sales Excellence* are provided by Chally at cost to schools using the text for their Advanced Sales Classes.



## Howard P. Stevens

Howard Stevens is Chairman and CEO of Chally Group Worldwide. Mr. Stevens specializes in leadership development, succession planning, customer and market analysis, and sales benchmarking. He is the creator of the original sales product lifecycle classifications and designed the major 5 year longitudinal study of leadership development for the U.S. Department of Defense and NASA. A licensed clinical psychologist, he is also known for his research and programs to develop a professional sales curriculum at the university level. With diversified interests, he is the author of several books on sales and management including *Achieve Sales Excellence*, *The Quadrant Solution* (published in multiple languages) and *Selling the Wheel*. He has written many articles and is a frequent speaker and radio and television guest. His World Class sales benchmarks program has been presented over 500 times across 30 countries for corporations, trade associations, government agencies, and universities. He has been a guest on CNN, Bloomberg USA, National Public Radio, Radio Free America, and other business-based programs. Mr. Stevens also taught "World Class Sales" benchmarks at the Columbia University Graduate School of Business and other universities, and serves on the Sales Advisory Board for Ohio University and the Foundation Board of Wright State University.



## Geoffrey James

Geoffrey James has sold and written hundreds of features, articles and columns for national publications including *Wired*, *Men's Health*, *Business 2.0*, *SellingPower*, *Brand World*, *Computer Gaming World*, *CIO*, *The New York Times* and (of course) *BNET*. He is the author of seven books, including *Business Wisdom of the Electronic Elite* (translated into seven languages and selected by four book clubs), and *The Tao of Programming* (widely quoted on the Web as a "canonical book of computer humor".) He was also co-host of *Funny Business*, a program on New England's largest all-talk radio station and has given seminars and keynotes at numerous corporations, including Rackspace, Gartner, Lucent and Houston Industries. Geoffrey attributes his success to the uncommon realization that freelancing is "50 percent sales and 50 percent delivery." When writing about Sales, he draws on his prior experience marketing and selling multi-million dollar computer systems, his daily experience selling his own services, and the fact that every month he's personally being coached, one-on-one, by the world's top sales trainers.

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## About Chally

A global leadership and sales potential and performance measurement firm, Chally Group Worldwide utilizes our industry leading research, predictive analytics and advisory services to ensure our clients have the vital information to minimize risk associated with making critical talent management decisions relating to selection, alignment, development and succession planning. With over 37 years of experience, Chally provides tools in more than 24 languages across 49 countries.





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