



Closing the Performance Gap:

How to Clone the Best Practices of Your Top Salespeople

Synopsis

Your sales force probably has a handful of salespeople who dramatically outperform their peers. If you could isolate what distinguishes the top performers from the others, you could develop the same capabilities in your entire sales force and close the performance gap that most companies accept as a fact of life. This paper explains:

- Why the performance gap exists
- Where the root causes are typically found
- How to uncover the secrets within your own sales force

You can build an entire sales force of top performers, but it requires a methodical and rigorous effort to identify the proven best practices of your very best sellers. In the following pages, we describe the approach we use to help leading companies unlock the potential within their existing sales teams.

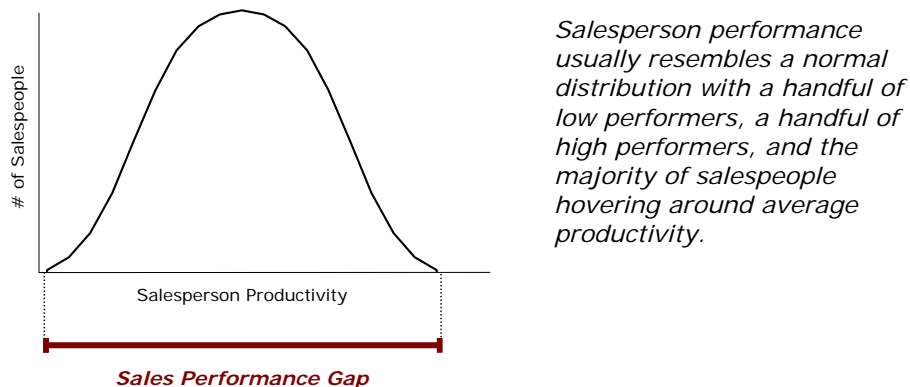
The Sales Performance Gap

Every sales force has them – the superstars. They are the handful of salespeople who produce 2, 3, or even 4 times as much as their peers. Sales management loves them, their customers need them, other salespeople envy them, and the CEO probably knows them by name.

And then there are the others. The remaining salespeople who can't seem to make it to the higher level. They have been through the same training, they sell the same products, they have the same managers, and they work just as hard. Yet they are simply unable to close the wide gap that exists between the superstars and themselves.

If your company has a sales force, you recognize the phenomenon. There is a range of performance across all of your salespeople, from dismal to spectacular. Unfortunately, there seems to be no rhyme or reason to why the variation exists. If you look across the distribution, you find salespeople at each level of performance that are experienced and inexperienced, aggressive and reserved, methodical and disorganized, personable and not. It can seem impossible to know why this gap exists and, more importantly, how to close it.

Figure 1: **The Typical Distribution of Salesperson Performance**



Why the Gap Exists

Performance varies across every role within an organization, but the gaps are much more pronounced in a sales force. There are 2 reasons for this:

First, performance is more easily and more often quantified in a sales organization than in other functions of a company. It's hard to measure the relative contribution of a team of financial analysts, but sales productivity is easily evaluated with cold, hard numbers. Also, sales are practically reported on a real time basis, and comparison among salespeople is

nearly effortless. If you know you're a low performer and want to stay out of sight, the sales force is not the place to do it.

The second contributor to the sales performance gap is the complex nature of selling. Research has shown that the difference between top and average performers in any job increases along with the complexity of the job's tasks.¹ In other words, the more complex a job is, the farther the leaders will outpace the pack. So while the productivity of top and average unskilled workers may vary by no more than 20%, the gap between top and average salespeople will most certainly exceed 100%. Selling is not simple, and consequently sales superstars shine extremely bright.

How Wide Is Wide?

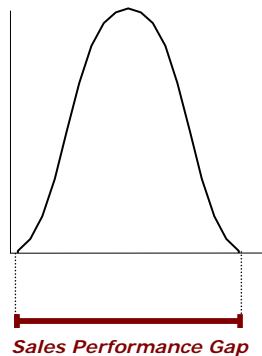
In practice, the more consultative your sales force is, the more complex the job and the wider you can expect your performance gap to be. At a recent client of ours with a transactional selling model, we observed that the difference in productivity between the best and worst sellers was roughly 2 to 1. At a different client with a highly consultative sales force, the difference we noted was a remarkable 5 to 1. These observations are similar to those of other clients, and we suspect most sales forces fall somewhere in this range.

As wide as the performance gap may be, we expect it will continue to widen for most companies. Selling is generally getting harder. Companies have begun to sell a wider range of products to more narrowly defined market segments. Services are now bundled and integrated with those products to form the ubiquitous 'solutions' that we are all told we need. As products and services become increasingly complex and selling becomes more challenging, the sales force performance gap will grow accordingly.

Figure 2: **The Influence of Sale Complexity on the Performance Gap**

The more consultative the sale, the wider the performance gap becomes.

Simple/Transactional Sales



Complex/Consultative Sales



¹ Hunter, J. E., Schmidt, F. L., & Judiesch M. K. (1990). Individual Differences in Output Variability as a Function of Job Complexity. *Journal of Applied Psychology*, 75, 28-42.

A Fact of Life?

Every company knows that this performance gap exists, but few know how to deal with it. We once had a client where the top producers sold around \$10 million of services each year, while the average salespeople generated around \$2.5 million in revenue. The magnitude of this gap was alarming to both our client and to us, but we viewed the implications quite differently.

As is frequently the case, the client's sales management viewed their superstars as enigmas. They were just 'born sellers' who came into the world with magical powers that enabled them to sell with great ease and success. After scrutinizing these top producers for some period of time, management simply threw up their hands and said, "I don't know why they're so good – I'm just glad we have them." They accepted the wide disparity in performance as an unavoidable fact of life. Their focus then turned to understanding what their other salespeople were doing wrong, in hopes of marginally improving their lackluster productivity.

In reality, sales superstars are not enigmas. Instead of writing them off as unsolvable mysteries and focusing on the shortcomings of the laggards, management should make top performers the centerpiece of their efforts. A company's top salespeople are walking, talking studies of best practices for their sales force. There are explicit things that they do, and understanding what makes them successful is *the* key to improving the sales organization as a whole. While a gap in sales performance is a fact of life, the gap can be substantially narrowed if you can identify the secrets of your best sellers and teach them to the rest of your team. From our perspective, a gap of \$7.5 million is not a fact of life; it's an opportunity of a lifetime for sales management to make themselves heroes.

A New Set of Eyes

Looking for best practices in a sales force is not a revolutionary idea. Every day, sales managers around the world spend much of their time admiring their top salespeople and trying to understand what makes them so special. Their anecdotal observations never seem to yield useful insights, though, and they soon abandon the effort to adopt the "I am just glad we have them" point of view.

How is it that so many managers can search so desperately for commonalities among their best salespeople, yet come up so empty-handed time and time again? This is an interesting question, but more importantly, how can you set about the task of identifying the real reasons that *your* top salespeople are superstars? How can you look at an old problem with new eyes and see with clarity the secrets to success that reside within your sales force? If you can accomplish this, you can begin to close the performance gap in your sales team and build an entire organization of superstars.

Look Under the Rock

The top reason that most sales managers can't identify their top performers' secrets is that they tend to look in the wrong place. For whatever reason, people always look first at a salesperson's personal characteristics, such as personality or attitude. For old-school transactional selling, this wasn't such a bad place to start since energy and persistence were key predictors of success. But as selling has become more complex, the number of things that determine the productivity of a salesperson has grown into an interrelated system of diverse components. To look at any single one in isolation will almost certainly generate confusing information.

Of the 5 components that we use to analyze sales force performance, no element is more critical (yet more regularly overlooked) than the salesperson's *strategy*. What customers do they target? What products do they offer? What value propositions do they communicate? These are the questions that frequently determine the success of a salesperson. Unless you are spending a fair amount of time looking at the strategies that your top sellers employ, you will likely miss a large contributor to their success.

A second component that also is often ignored is the *process* or activities that the salespeople use to enact their individual sales strategies. How do they prospect for qualified leads? How do they engage their prospects in the sales cycle? What steps along the way do they emphasize? Where do they add value? What are the critical tasks that make a difference in the customer's buying decision? Examining the selling tasks of your top performers provides insight into the practical things they do that lead to increased sales.

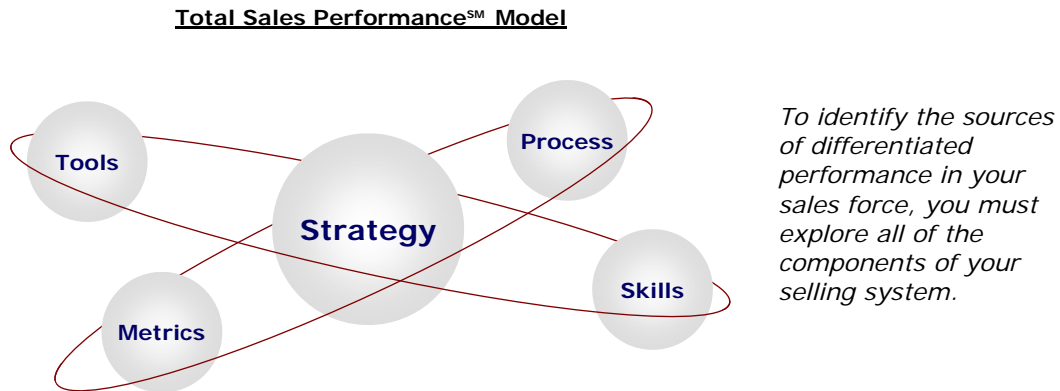
Selling *skills* have always been fertile ground for evaluating and developing salespeople, but the set of skills needed to sell today is well beyond the 'closing techniques' of yesteryear. Examining the skills of your top salespeople requires looking at the complete inventory of talents that is needed to execute their sales process. Do your best sellers have extraordinary questioning skills? Listening skills? Time management? Networking? Analytic? Writing? Negotiating? Others? Some combination of selling skills enables them to effectively navigate the sales cycle to a happy end. Identifying the skills at which the superstars excel reveals how they win over more customers than their peers.

Also, sales managers can take for granted the *tools* that their top sellers use to support their selling strategies, processes, and skills. Companies normally provide the sales force with the same suite of tools (CRM applications, case studies, laptops, product demos, etc.) and assume that all the salespeople are competing on level ground. However, we find that top sellers frequently create their own tools or use those provided to them in unique ways that make them particularly efficient and effective in closing more sales. Next to the sales strategies of top sellers, this is probably the second most overlooked component of a powerful selling system.

Finally, many top salespeople explicitly or implicitly create their own set of *metrics* to track their progress through the sales cycle. Sales force metrics that a company collects are often very basic – revenue, number of customers, volume of calls, etc. In a complex selling environment, there is a long list of measurements that are useful to collect and monitor. For example, top sellers are prone to set objectives that 'advance' a sale, such as returned phone calls, upward referrals, product demonstrations, delivered proposals, etc. Sales management might not track these milestones, but they are predictive of ultimate

performance. Looking at the way sales superstars measure their own success can enlighten management to how they achieve it.

Figure 3: **The 5 Interrelated Components of Sales Performance**



In sum, these 5 components of a selling system determine how productive a salesperson will be. The top performers in any sales force have somehow identified which elements are the most important and what it takes to execute them well. In our experience, most sales managers focus on only 1 piece of the puzzle – selling skills – and usually only a subset of that. If you really want to understand what sets your top sellers apart, you have to look beyond personality traits and other superficial characteristics to see what determinants of success are actually making the difference.

Got Data?

Once you understand the components of your selling system that you need to examine, the next hurdle most sales executives face is obtaining meaningful data to uncover their top performers' best practices. When we begin working with a client, there are typically only 2 types of information that constitute the entire body of knowledge about their sales force's performance: salesperson productivity and sales managers' anecdotal observations. In other words, we receive a list of salespeople ranked by their sales numbers and the managers' opinions of the salespeople's strengths and weaknesses.

While this level of insight is probably good for something, it won't help you uncover the reasons that the names on the top of the list are the same names year after year. To get a full picture of your salespeople's winning strategies, processes, skills, tools, and metrics, you need to gather information from several different perspectives. We believe that the picture is only complete once you've culled data from salesperson observations, historical customer data, and customer opinion surveys. This is a great amount of work, but it also creates a great amount of value.

To discover the secrets of your top salespeople, it is critical to study the superstars in action. Good sales managers are familiar with the concept of a 'coaching' call, where the manager observes a salesperson with the goal of offering advice on how the salesperson

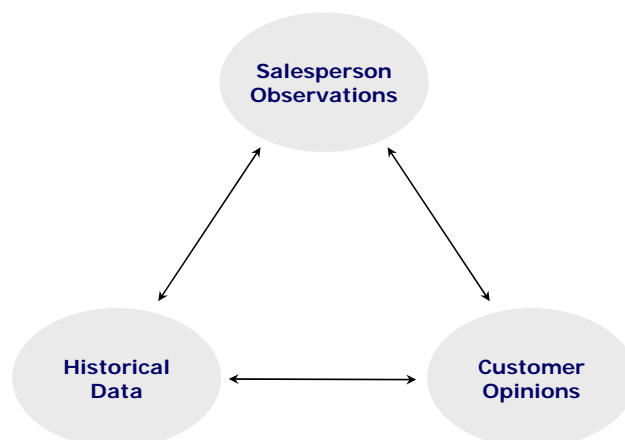
can improve their technique. However, this is not the same as observing salespeople for the purpose of identifying best practices.

Foremost, the intent of the coaching call is ostensibly to identify *weaknesses* in the way a person sells, not to isolate the things they are doing well. This is a completely different way to view a call. Further, to understand why top sellers are the best, you must observe them not only in front of customers, but in every activity of their day. From the moment the salesperson turns on in the morning to the moment they shut down in the evening, everything they do affects their sales productivity – researching, thinking, calling, writing, computing, presenting, listening, etc. To understand what the top performers do that distinguishes their strategies, processes, skills, tools, and metrics from the rest, you have to document their every move and thought throughout the day.

The second source of information on your sales superstars comes from correlating their sales performance data with historical customer data. This offers tremendous insight into their selling strategies – often strategies that they themselves don’t know they follow. For instance, identifying what types of customers your top performers target can reveal desirable customer segments that have gone unnoticed by your marketing department (and other salespeople). Comparing their customer demographics with the volume and type of calls that they make can give insight into efficient and effective methods of selling. There are dozens of other analyses that we typically conduct, but comparing customer and salesperson data in any thoughtful, rigorous manner is an incredibly powerful way to uncover winning sales strategies.

The final source of data that we recommend is one that is almost never collected by the sales organization – customer feedback. For some shameful reason, customer research has remained the exclusive domain of the marketing department. Perhaps it’s because the sales force is in constant contact with prospects, and they naively believe that they ‘know their customers’. However, very few customers will provide candid feedback to a salesperson, and salespeople are constitutionally incapable of performing objective market research. If you truly want to understand why your top salespeople sell more, ask their customers why they bought your product, what role the salesperson played in their decision, and what value the salesperson added to their buying process. These very simple questions often yield very fascinating answers.

Figure 4: **The 3 Critical Sources of Sales Force Information**



You must collect and synthesize data from 3 different perspectives to understand with certainty what your top sellers do that positively influences their customers’ buying decisions.

You will notice that we have not recommended asking your salespeople why they are so successful. The reason is quite simple – they probably don't know. Unless you have a sales force of remarkably self-aware individuals, it is unlikely that your salespeople will really comprehend all that they do to make a difference in the minds of their customers. Much of what good salespeople do is unconscious to them, and the things that they will say are unpredictable and dependent on the moment. Our experience is that they will gladly give you their top-of-mind answer (e.g., “I work hard” or “I am fair to my customers”), but their responses rarely capture their real sources of advantage.

Compare and Contrast

All of the analyses described above should be done across two distinct groups of sellers, if you are to unearth information that will help you close the performance gap. First, compare your top performing salespeople to one another to understand what they are doing in common that is leading to their extraordinary sales productivity. This requires you to examine closely the 5 components of the selling system with data from the 3 sources discussed above. With effort and patience, patterns will begin to emerge that define the underlying strategies, processes, skills, tools, and metrics that lead to success in your sales force.

Once you have identified the key determinants of success, you then need to contrast these findings between your sales superstars and the rest of your sales force. In all likelihood, the average (and even some of the low) performers in your sales force are using many of the same best practices. For instance, you may find that all of your top sellers keep very detailed notes of their customer interactions. This is a wonderful skill for consultative salespeople; however, most of your average sellers may do the same thing. The point of contrasting the top and other performers across these initial hypotheses is to identify the *unique* things your superstars do that help them outsell their peers by dramatic amounts. These are the things that will revolutionize the way your underperformers sell.

And Finally ...

Turning your entire sales force into superstars is no small feat, but it is unquestionably achievable. Even though your top salespeople may bear no superficial resemblance, there are concrete things they do in common that lead to their spectacular performance. Whether or not they know how they do it, they have unlocked the secrets to conquering your marketplace. Once you have isolated the best practices that set your superstars apart, then you have the knowledge you need to close the sales performance gap and catapult your overall sales productivity to a higher level.