

Merging Two Sales Forces: An Opportunity for Disaster

Panic over Planning

With increasing frequency, we are encountering sales forces that are in the process of merging with other sales organizations. These mergers are not always the result of corporate acquisitions, though. In fact, we see them more commonly as the combination of different sales groups within the same company. These mergers come about for a variety of reasons (integrating previously acquired organizations, shifting from a product-centric to a customer-centric structure, 'right-sizing', etc.), but the immediate impact is always the same – A panicked fire drill to define new organization charts and compensation plans. While we understand the motivations to address the 'people' issues first, we think that companies sometimes make the mistake of dealing with the *urgent* matters before the *important* matters. The merger of sales organizations creates a rare opportunity to build a new sales force that will be more than just the sum of its parts, but without careful planning it can quickly become a disaster.

An Opportunity for Change

The reason that most sales forces drift over time into a comfortable rut rather than blaze a deliberate path to excellence is simple – Inertia. Change is incredibly difficult to make permanent, especially incremental changes that are easily overwhelmed by the weight of the traditional ways of doing business. We believe that lasting change is best made in large doses, when it's holistic and alters many aspects of salespeople's daily lives (strategies, processes, measurements, tools, etc.). However, dramatic change is very disruptive, and sales executives tend to avoid it for fear of hurting short term sales performance. Finding the right time to disrupt your sales force is like finding the right time to get fired ... The right time never comes.

But when you decide to merge sales forces, you have a mandated disruption. Unless you are merging two completely identical sales forces, both sides will have to deal with a great amount of change. Instead of trying to minimize the disruption by changing as little as possible, here is a golden opportunity to make revolutionary improvements. If you don't take advantage of this involuntary disruption to build the sales force you will need in the future, then you'll probably

be stuck with your patchwork organization for years to come, because no one will want to entertain more change until the pain of this merger is a very distant memory.

And an Opportunity for Disaster

The consequences of trying to minimize the impact of a merger go well beyond the missed opportunity for improvement. You can actually do a tremendous amount of damage to your sales force and end up with *less* than the sum of the parts. In fact, there are two specific dangers that loom large when sales forces combine – One is quick and painful, while the other is slow and agonizing. Try to avoid both.

The quick, painful disaster is the immediate loss of key customers and top salespeople. If the combination of sales forces is not handled extremely well, there will be a great amount of confusion and disgruntlement in your customers and salespeople. Hopefully they both will complain loudly, so you'll know where to apply damage control. Otherwise, the issues will simmer beneath the surface until a competitor quietly seduces them both away. Smart headhunters and sales managers know that mergers breed discontent, and they lurk in the shadows waiting to steal your customers and star sellers. Imagine losing your top 5 accounts and top 5 salespeople tomorrow. It would be a bad day.

The slow, agonizing disaster can be even worse, if not as immediate. It is the result of a muddled selling system. If you try to keep as many familiar components as possible from your old sales organizations in order to minimize the disruption, you will end up with a hodge-podge of sales processes, skills, tools, and metrics that probably won't support your new sales strategy. In a typical scenario, two or more 'product' sales forces combine to form a 'solutions' sales force that can be more responsive to the needs of specific customer segments. Such a dramatic shift in sales strategy requires a dramatic shift in the way your salespeople sell, and the new way is probably *not* the haphazard intermingling of the two old ways. If the merger is in fact a shift in your strategy and you don't develop a new organization capable of executing that strategy, then you will fail to reach your objectives month, after month, after month. It would be a bad year.

Our Advice

If you are combining sales forces, you have a unique opportunity. You can make sweeping changes in a way that might never be possible under normal circumstances. You can build a sales force that is perfectly aligned with the strategic vision of your new organization and prepare your salespeople for future success.

You also have the unique opportunity to doom your new sales force. You can sacrifice your best customers and salespeople and saddle your sales force with a losing game plan. A merger of sales forces is more than scrambling to create new org charts and comp plans. It requires deliberate planning and thoughtful management *before* the sales forces combine in order to avoid disaster.

The questions you need to ask yourself are these:

- Am I asking my new sales force to execute a fundamentally different strategy – To sell different things to different customers than they did before? If so, could each of my old sales forces have succeeded with this new strategy?
- How different from one another were the processes, skills, tools, and metrics of my old sales forces? Can I easily integrate them, or am I going to have to cobble them together?
- If I could start from scratch, what would my new sales force look like? Is that what I'll have if I only combine the best of my old sales forces?

Depending on how you answer these questions, you may or may not see trouble down the road. If the vision is frightening, here is our advice: If the merger has just been announced, don't hurry to make it happen ... Take some time to figure out what the new sales force should be by purposefully define new processes, skills, tools, and metrics for the future. If you're already in the middle of a merger, it might not be too late to take advantage of the chaos and do the right things by prolonging the transition until you're on the right path. And if you've lived through a bad merger and are currently suffering the dysfunction, it may be time to start planning the next big disruption. Otherwise, it could be a bad year.