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{Head} Sales – the million-minute truth

{Stand} Evidence from 1,000,000 minutes of sales coaching contradicts some common beliefs about sales performance, write Professor Nicholas AC Read and Dr Ben Laker

{Body} Damaging myths about sales coaching have become received wisdom. When researchers set about finding out the truth, they exploded six fictions widely held to be facts. The results are required reading for anyone trying to manage a sales team.

In a significant study, regular coaching sessions with salespeople and their managers were run in Europe and North America over a two-year period.

The goal was to focus on a specific skill, coach the seller to master it, listen for evidence of it being applied in subsequent customer calls, then track its impact. This was repeated across multiple skills.

After a million minutes of coaching and analysis, a statistically significant milestone was achieved and variations no longer appeared in the data. The study busts six common sales myths.

{Section} BOLD Myth 1: You can't coach every skill BOLD

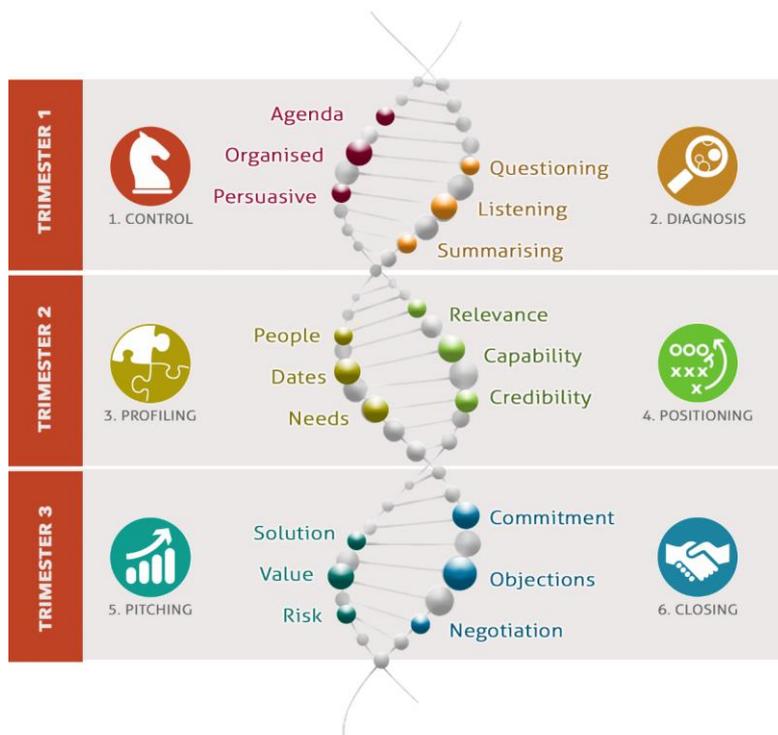
A list of popular selling skills was drawn from books, competency maps and job descriptions. These amounted to a somewhat daunting 172. Such a broad catalogue was understandably deemed too unwieldy to coach, so the researchers applied four filters. These were:

1. The skills had to be observable in a straight business-to-business sale – this was not a test of behind-the-scenes prospecting, planning or follow-up work
2. The skills had to be relevant in 70% of sales situations – not outliers pertinent to a handful of situations and industries
3. They had to be accessible to the masses – and be personality independent
4. They should be seen to demonstrably advance the sale

The giant list of 172 skills distilled to 18 observable, coachable skills with high impact. The research team dubbed this discovery 'SalesDNA'. So you don't need to coach every skill – only the ones that matter (see graphic).

{Graphic}

Sales DNA



BOLD VERDICT: MYTH BUSTED BOLD

{Section} **Myth 2: Training improves skills**

Researchers found content-rich manuals and slideware follow a design philosophy called 'massing', which psychologists believe conjures a cognitive illusion to seduce people into thinking they've learned more than they really have.

This is compounded by the adult brain operating on 'use it or lose it' rules of *neuroplasticity*. Around 60% of what is taught in a group classroom setting is forgotten within six hours if not put into immediate practice. Without reinforcement, another 27% is lost within a month. That's an 87% 'forgetting gap' within 30 days.

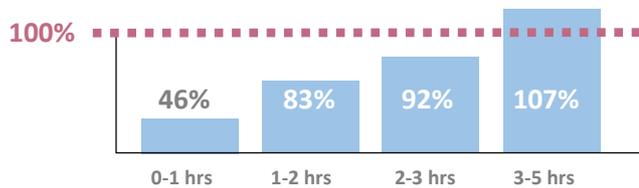
For these reasons, while group training works for knowledge training, it was eschewed as a method for skills development, and one-to-one coaching was selected instead. Training doesn't improve skills. Coaching does.

VERDICT: MYTH BUSTED

{Section} BOLD Myth 3: Managers don't make good sales coaches BOLD

Past studies show three hours of quality skills coaching a month typically puts an underperforming seller over quota, while those who receive less than three hours underperform by 20%. More than five hours yields a diminishing return (see graphic).

{Graphic} The sweet spot



'Quality coaching' – when a salesperson deals with a live customer – is debriefed by an observer on how the call went, then improvements are practised. This shouldn't be confused with a meeting postmortem or deal review. The focus must be on skills.

We found that very few sales managers are targeted on delivering sales coaching, so most don't. They agree *ITALS someone ITALS should*, but claim they are unable to find time, don't know what to coach, or fear losing face. This applies especially to those managers from a non-sales background.

However, where managers coach well and have fewer than six direct reports, success is high. One manager can comfortably provide three hours of coaching to six salespeople a month. Planning, travel and reporting raise this to a 40-hour commitment – roughly a quarter of their time.

Teams where the manager delivered coaching averaged salesperson tenure of over four years, annual attrition of 15%, and 80% percent of team members achieving quota. Where managers outsource coaching to external parties, staff tenure is barely more than two-and-a-half years, annual attrition is 27%, and team members achieving target falls to 61%. The big shock comes where no coaching is given. Average tenure jumps to more than seven years, attrition slows to around 10% – but only 47% of the team hit their goal (see graphic).

{Graphic}

	Average staff tenure (months)	Staff attrition rate (%)	Proportion of team hitting goal (%)
Manager-led sales coaching	50	15	80
Coaching outsourced	32	27	61
No coaching	89	10	47

Manager-led coaching delivers a strong output faster. But its absence encourages mediocrity for longer.

{Section} **VERDICT: MYTH BUSTED**

{Section} **Myth 4: Salespeople are born, not made**

In 2010, *Harvard Business Review* reported that only 37% of salespeople impact their company revenue. Our research found similar statistics where no coaching is attempted, but uncovered low-performers can become stars in under a year with the right coaching.

Lead project coach Sam Ogrizovic explains: “There was no existing technology to support a project like this – so we invented what we now call the ROCKET coaching platform to upload recordings of sales from smartphones and call centres. It’s an acronym for Remote Observation of Competency, Knowledge, Effectiveness and Tone.

“With customer permission, an encrypted recording of the meeting or call would upload to a portal where the manager/coach could log in, listen to the sale, score the SalesDNA, and leave pointers for the salesperson to consider.”

Each salesperson received a portal to study their SalesDNA scorecard before weekly skills drills with their coach. Ogrizovic adds: “The rhythm of this coaching was key to success. We also gave executives a heat map of how team and individual skills were changing over time, to help decisions on talent and recruitment.”

The project ran for two years, concluding in November 2016. In that period, 84% of salespeople improved their SalesDNA by an average 48%, and achieved a year-on-year lift in revenue of 29% in markets experiencing single digit growth. These are significant numbers that prove while some sellers may be born, others can certainly be made.

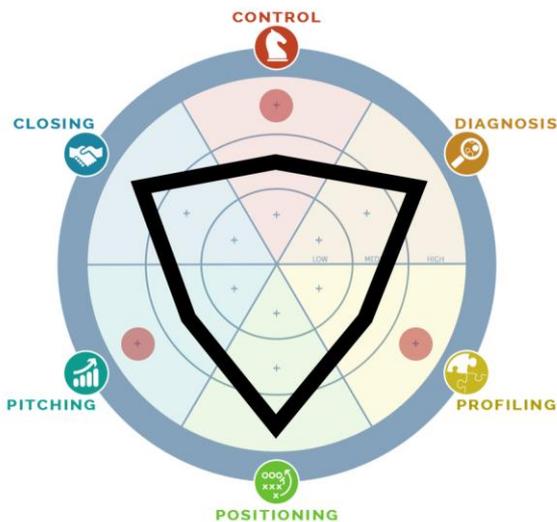
VERDICT: MYTH BUSTED

{Section} BOLD Myth 5: All salespeople are the same BOLD

Even with coaching, some salespeople didn't master all 18 skills of SalesDNA. They were locked in certain 'persona loops'. After a million minutes of sales coaching, these persona loops were revealed as follows (see graphics).

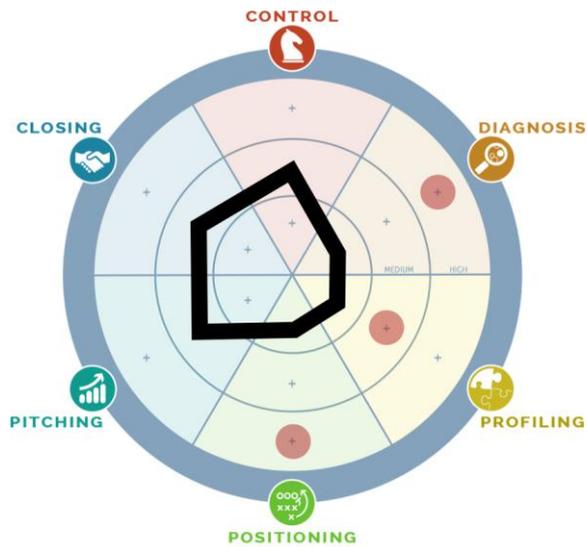
A quarter of salespeople are BOLD **Masters** BOLD. We found that 100% of these drive next steps, and 84% ask for commitments. Masters are all-rounders on SalesDNA, who can sell products or value-add solutions equally well. If there is a chink in their armour it is found in their tendency to assume their value is obvious, and that the customer is as prepared to buy as they are to sell.

{Graphic} The SalesDNA of Masters



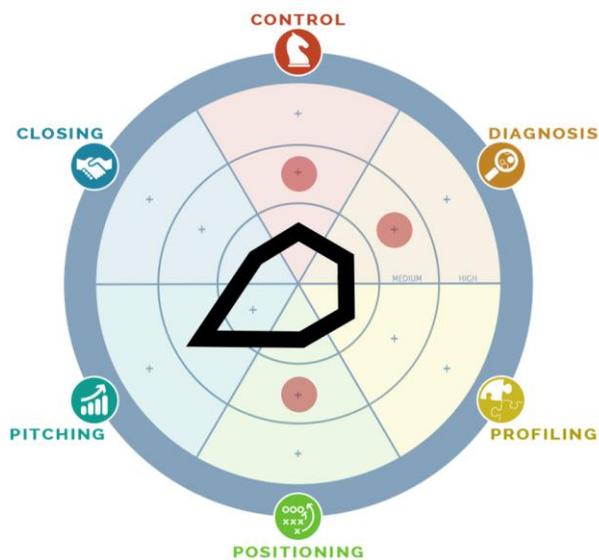
Some 39% of salespeople are BOLD **Closers** BOLD. Some 94% of these drive next steps, and 62% ask for commitment. Closers are well-suited to commodity products in shorter sales cycles where they can present, negotiate and close quickly. They tend to skip needs qualification and go straight to the pitch. Buyers seeking transactional efficiency appreciate their economy. They tend to do well in wholesale or retail roles. But solution buyers just see them as pushy.

{Graphic} The sales DNA of Closers



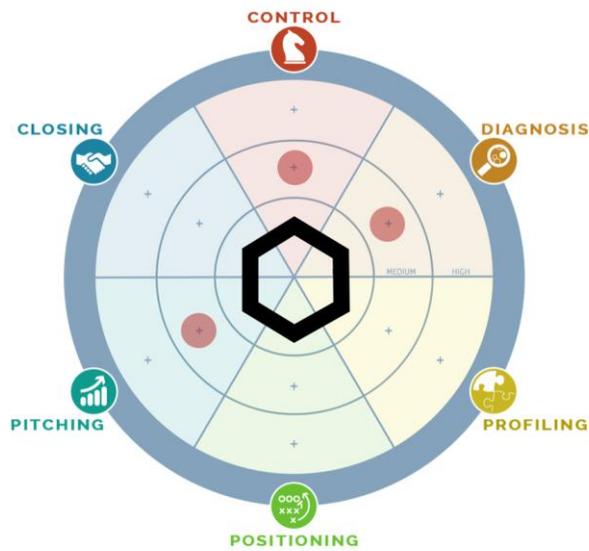
About 22% of salespeople are **BOLD Narrators** BOLD. Some 65% of these drive next steps, but only 36% ask for commitment. Narrators sell using demos, catalogues, scripts and canned presentations. They are product experts and technical wizards who rely on customers placing an order more than they earn it. If a customer gives an unscripted response or objection, these 'talking brochures' default to bombast about their product or brand superiority.

{Graphic} The SalesDNA of Narrators



BOLD Socialisers BOLD comprise 15% of salespeople. Only a third drive next steps, and 27% ask for commitment. Socialisers excel at networking and upbeat customer service. They regard customers as friends. This dynamic can manifest as a high cost of sale because they wait for buyers to take the next step, don't assert any pressure to buy, and give away discounts – even *after* orders are received – to show their commitment!

{Graphic} The SalesDNA of Socialisers



People with a sales job title are not all the same; they operate across four persona loops. With coaching, some people can change their loop. Some are best matched to selling complex solutions, others to transactional products. But some are best assigned to non-selling customer support or product merchandising roles. Developing staff to better fit their sales role, and redeploying staff not suited to selling, becomes a more exact science when SalesDNA and persona loops are used as guides.

BOLD VERDICT: MYTH BUSTED BOLD

{Section} **Myth 6: People with the best skills close the most deals**

During the research, some company leaders expressed the belief that top sellers don't need coaching; low sellers won't respond to it; it's the middle 50% of a salesforce who are the ideal audience for skills development.

When asked how they identified which salespeople have 'low', 'middle' or 'top' skills, managers suggested sales-against-quota as a fair measure of capability.

But when asked, "Can you rate your salespeople's skills from high to low *ITALS without using revenue as a measure* ITALS?", few managers could identify an objective alternative.

This is a problem because although Socialisers display weak SalesDNA, some can look like superstars simply because they are operating in a hot territory. Similarly, Masters with strong SalesDNA may fail to achieve targets due to reasons outside their control. Revenue alone is an unreliable measure of actual capability, and can lead to wrong decisions about staffing and development.

VERDICT: MYTH BUSTED

{Xhead} No more myths

As a lagging indicator, revenue is like the last chapter of a book defined by plot points that took shape pages earlier. By measuring only how a story ends, managers cannot intervene early enough to affect the narrative.

But by observing salespeople in action with real customers at each stage of the sale, managers can influence the predictive indicators of skill and behaviour. When you improve these, the results follow.

{Biog}

Professor Nicholas AC Read is executive chairman of Revenue Growth International. Dr Ben Laker is educator at the Centre for High Performance.

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