

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

Essential Selling Competencies: The Buyers Side Perspective

By Michael Rochelle, Chief Consultant and Analyst, Brandon Hall Group

July, 2011

Executive Summary

Brandon Hall Group recently completed a comprehensive research initiative targeting the prevalence of five essential selling attributes in sales teams and their impact on performance.

- Business Knowledge
- Customer Insight
- Financial Acumen
- Return on Investment
- Executive Engagement

The research findings showed that a clear majority of business decision makers believe that although these attributes are extremely important they are rarely seen in the sales professionals that call on them. The end result is an overall lack of ability for these sales professionals to meaningfully engage decision makers and develop compelling business cases that support the financial investment in their solutions.

Brandon Hall Group's research also revealed that sales leaders felt that these competencies were not widely possessed by their teams and the learning and development professionals responsible for training sales teams reported that these competencies are not adequately addressed in their learning plans.

Methodology

Brandon Hall Group conducted its research to explore the level of importance for the five competencies targeting three main groups:

- Executives and business decision-makers
- Sales managers
- Learning and development professionals

White Paper

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

The competency set that was the focus of the research was the following:

- **Business Knowledge** – This competency measures an individual’s ability to effectively grasp the macroeconomic factors impacting a company’s revenue, operations, value chain and overall business model.
- **Customer Insight** – This competency measures an individual’s ability to use U.S. Securities and Exchange Commission (SEC) and other publicly available information to gain business insight about a company.
- **Financial Acumen** – This competency measures an individual’s ability to analyze financial trends and ratios to identify opportunities for improvement as well as financially justify investments.
- **Return on Investment** – This competency measures an individual’s ability to quantify, discuss and present cost-return analyses of investments.
- **Executive Engagement** – This competency measures an individual’s ability to engage, provide value and build influence at executive levels within a company.

The bulk of the research was based on Brandon Hall Group’s extensive knowledge of the sales training industry sector and nearly twenty years of learning, evaluating and cataloging sales training best practices from world class organizations around the world.

The culmination of this research effort provides a unique prospective into the executive’s perception of sales people calling on businesses today, their state of readiness to tackle the unique challenges facing them in the field and the level of sophistication currently employed in training programs to improve the selling competencies of sales teams.

Introduction

In a recent Brandon Hall Group survey, 78% of the companies reporting identified revenue growth as a top priority for 2011. Where are these companies focusing to generate more revenue? Optimizing the efficiency and effectiveness of one very important group within their organizations – the sales team.

Today, amid increasingly commoditized and competitive markets, investments require compelling business rationale to receive funding. The implication to sales organizations is clear: they must possess the ability to engage business decision-makers who control such funding.

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

Sales teams must raise their level of business and financial acumen in order to successfully compete in the marketplace.

The capacity to understand how an executive sitting across the desk from the salesperson makes buying decisions is the critical component for any sales strategy. The ability to make a quick and meaningful connection with a business-decision maker, hold their attention and facilitate their engagement in the sales process is the mark of a great sales person.

Applying the five competencies to the entire selling process provides the opportunity for additional improvements:

- Account Planning - Every account planning methodology concludes with engaging the target decision-maker within a prospect's organization. Sellers have only one opportunity in the executive suite to present a compelling case for their value proposition. If they fail to capitalize on this opportunity, then the ability to close business is lost. Therefore, it makes sense to develop the five competencies within the sales team before or concurrent with account planning to ready the sales professionals to have the right conversation with the right person.
- Sales Pipeline Velocity – Deals can stall in the pipeline because there is not a clear path to driving the stakeholders to take action. Mastery of the five competencies provides sales professionals with a solid foundation for effectively addressing the financial justification needed to move stakeholders to take action and business to be closed.
- Accessing Decision-Makers – Sales professionals face many challenges in securing a meeting with the executive suite. Very often, the seller's inability to create a dialogue relevant for engaging the executive suite results in their being delegated down to another individual in the organization. If the sales professional can create a meaningful dialogue that is based on a concise and powerful justification for the need to meet with the executive suite then they will secure the meeting. A seller that has command of the five competencies can provoke a unique level of "business curiosity" with decision-makers that will capture their attention and land the meeting.

In summary, the successful incorporation of the five competencies by a sales professional into their current competency set will provide a strategic advantage that will lead to greater opportunities to sell and close business.

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

Implications for the Sales Leader and Learning and Development Professional

It is clear that the gateway to engaging business decision-makers is the ability to execute a skills development initiative that incorporates the adoption of these competencies.

However, this initiative poses unique challenges for both the Sales Leader and the Learning and Development Professional:

- How prepared are Sales Leaders to lead and manage the change agenda?
- How prepared are Learning and Development Professionals to support the business moving in this direction?

Sales teams and learning and development professionals need to come together and update their training programs to focus on developing these competencies to provide salespeople with the ability to better understand their customer's business model and financial metrics. With this understanding, salespeople will be more effective in identifying and building relationships with the right decision-makers within a customer's organization and uncovering their unmet needs.

A sales training program that incorporates these key competencies into its curriculum will be successful in transforming a sales person into a trusted advisor and subject matter expert for their customers.

For a sales person to operate at this level of performance, their training needs to emphasize the importance of competencies centered on understanding and aligning with their customer's business performance.

Data and Findings

Executive Perspective

Executives were asked to offer their opinions on the level of importance and frequency they see these five competencies in sales professionals that call on them. In every one of the five competencies evaluated, it was clear that executives felt that sales professionals are more likely not to express these competencies than express them. The following tables provide data captured from executives responding to our survey.

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

The message is clear – sales professionals today do not consistently express critical competencies to capture and secure sales with business decision-makers at their accounts.

Table 1: Level of Importance Cited by Executives

The level of importance executives attributed each competency

Executive level of importance for each competency	
	Important/Highly Important
Business Knowledge	88%
Customer Insight	88%
Financial Acumen	65%
Return on Investment	84%
Executive Engagement	94%

Source: Brandon Hall Group, 2011

Table 2: Frequency Attributes are Seen as Cited by Executives

How often executives see these attributes displayed by sales professionals who call on them

Frequency of Key Attributes Displayed by Sales Professionals with Executives	
	Frequency
Ability to identify the business metrics most important to your company	35%
A deep understanding of the external factors affecting your company and their relation to your business initiatives	27%
Ability to astutely apply financial ratios and trends to financially justify solution investments	27%
Possess advanced skills in developing value propositions that demonstrate compelling economic value for your company	19%
Resists product-centric engagement strategies and routinely leads executive engagements around measureable business impact	19%

Source: Brandon Hall Group, 2011.

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

For the Learning and Development Professional - our research illustrates the need for a sales training program to include a thorough review of real world business scenarios and role playing/instruction that encompasses the executive's point of view.

Learning and Development and Sales Management Perspectives

We asked the Learning and Development and Sales Management Groups to provide their perspective regarding the prevalence of the five competencies within their current sales teams. Our findings were consistent with the skills gap identified:

- Less than one out of seven professionals thought the majority of their sales professionals possessed these competencies.
- Less than 50% of the Learning and Development professionals reported that they had incorporated the five competencies into their training programs.

This low penetration rate is just another example of the overall lack of recognition for the importance of these critical competencies being incorporated into a sales professional's arsenal.

Customer Spotlights

Brandon Hall Group interviewed Experian® and Polycom, Inc. to capture key insights and examples of best practices and results, which can be found in the following brief summaries.

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

Selling to Government Agencies

Experian® is a global leader in providing information, analytical tools and marketing services to organizations and consumers to help manage the risk and reward of commercial and financial decisions.

When Experian decided to go into the public sector, a new market segment for them, they called on [Executive Conversation](#) to build on the training foundation they had created with the Experian team in the financial services segment.

Experian knew the customer contact base and selling process was very different than their current call plan. The executives at Experian knew they had to lock down a solid understanding of the decision drivers and risk factors unique to public sector accounts. They needed to know how to reach the right contacts in a government agency and how to tailor their call plan strategy to take into consideration their very unique needs.

*By working with Executive Conversation, Experian realized a **25% increase in opportunities in their public sector pipeline and a 40% increase in revenues from this sector over last year.***

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

Selling to Business Executives

Polycom, Inc. is a global leader in unified communications solutions with industry-leading telepresence, video, voice and infrastructure solutions built on open standards.

Polycom decided to move from an indirect to a direct sales model in order to create a more direct touch with their customers.

Polycom's strategy behind moving to a direct sales model was to be able to train their own team on how to deliver the ultimate value proposition to prospective customers. There were many factors to consider in developing a comprehensive sales training program that would accomplish this goal. Polycom leveraged Executive Conversation and the real executives who deliver their training to help their sales team better understand how a business leader thinks and makes buying decisions.

Focusing on the five competencies, the training highlighted the unique differences between calling on a technology oriented decision maker and a business oriented decision maker and how to optimize the value proposition messaging for each audience.

Polycom has estimated that Executive Conversation's instructors and methodologies helped Polycom achieve as much as a 50% increase in the number of sales professionals being able to conduct sales calls at a strategic business decision maker level.

Conclusion

Today's selling environment is complex. Buyers are demanding more from sellers than ever before. In order for the seller to provide value, build credibility, create differentiation and influence outcomes, they must be able to demonstrate a strong understanding of their account's business model and performance strategies, be efficient in how they interact with senior level decision makers and proficient in illustrating the financial benefits of their offerings.

Our research demonstrates that the five competencies presented here are a reliable and dependable foundation for preparing today's solution selling organization for success with business decision-makers. However, as we discussed in the introduction

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

of this white paper, establishing alignment between senior leadership, learning and development, and the sales organization is essential. This alignment must not only include clarity regarding desired sales competencies but a support from the organization to implement programs designed to close competency gaps and provide for ongoing coaching and reinforcement.

In the battle for market share and brand dominance, the rules of engagement are clear – place a sales team in the field that has the ability to uniquely understand their customer’s needs and can provide breakthrough solutions that deliver extraordinary results or be fodder for the competition.

Essential Selling Competencies: The Buyers Side Perspective

July, 2011

About Brandon Hall Group

With more than 5,000 clients globally and 20 years of delivering world class solutions, Brandon Hall Group is the preeminent research and analyst organization focused on developing research driven solutions to drive organizational performance for emerging and large organizations. Through the recent merger of AC Growth and Brandon Hall Research, Brandon Hall Group has an extensive repository of thought leadership, research, data and expertise in Talent Management, Learning & Development, Sales, Marketing and Executive Management.

At the core is a Membership Program that combines research, benchmarking and unlimited access to data and analysts. The Membership Program offers insights and best practices to enable executives to make the right decisions about people, processes, and systems, coalesced with analyst advisory services which aims to put the research into action in a way that is practical and efficient.

The Value of Membership

The Brandon Hall Group membership program encompasses comprehensive research resources and an array of advisory services. Our membership program provides the following:

- **Cutting-Edge Information** – Our rigorous approach for conducting research is constantly evolving and up-to-date, providing your organization with current and future trends.
- **Actionable Research** – Your membership includes advisory services that are research driven and provides you a breakthrough approach to addressing immediate challenges and opportunities inside your organization.
- **Customizable Support** – Whether you are a Learning and Development, Talent Management, Sales, Marketing, or C-Level Executive, our research, frameworks, models and tools will provide insight and solutions that you can leverage across the entire organization.
- **Unlimited Access** – Every member of your team has the ability to utilize research, next practices and advisory services wherever and whenever they need it to support critical decision-making.

To learn more about Brandon Hall Group, please call us at (561) 865-5017 or email us at success@brandonhall.com.