

Is Your Sales Force Prepared for the New Marketplace?

BY SUSANNE CONRAD



HOW DO THE SKILLS AND CAPABILITIES OF YOUR SALES FORCE STACK UP AGAINST THOSE OF YOUR COMPETITORS?

Background

“So, what should we do today to prepare for this rapidly changing world?” That was the question Sales Development Vice Presidents and Directors of major CPG companies did ask at the most recent Training & Development Dialogue Group (TDDG) meeting. The group had just listened to DHC’s presentation entitled “The Evolving CPG Marketplace” – and was trying to internalize the implications of significant market changes on their sales force development strategies.

The group reached agreement on a number of issues: Manufacturers who wish to thrive in an era of consolidation, centralization and customization, and ensure the survival of the organization and its brand equities, must build a sales force that can partner with customers and strengthen customer relationships. The skills and capabilities of the sales force are key to realizing that goal.

Despite the diverse product categories represented, there was consensus amongst these companies on the need to reconsider the focus of their development efforts to closely match customer requirements and away from their own traditional development strategies. But how could they identify the skills and capabilities their customer looked for in

their sales force? And just as critical, how could they know if they were delivering against those expectations?

In response to these questions, Dechert-Hampe & Company reviewed available industry data, and found that, although there were a number of informative studies on the issue of sales force skills and capabilities, they were mostly historic analysis. Few of them looked to future requirements and there was little data that included direct input from the customer.

Objective

To fill the information gap and allow manufacturer organizations to develop solid, forward-looking sales force development strategies, DHC developed the *Capabilities of the Future Sales Force Study*. This omnibus study was designed to allow participating organizations to:

- Understand the current and future importance of their key account managers’ skills and attributes from both the manufacturer and retailer (customer) perspectives;
- Identify the current proficiency levels of their key account managers – again from both the manufacturer and retailer (customer) perspectives; and
- Benchmark their organization against retailers’ (customer) expectations and other manufacturers’ performance.

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The Results

Results indicate that manufacturers and retailers agree that personal and traditional selling skills will remain important, and that key account managers generally possess such skills. In the future, however, excellence in these skills will not differentiate manufacturers but instead will simply become the requirements for “staying in the game.” Mastery of personal and traditional selling skills will be the new baseline.

Both manufacturers and retailers also agree that key account managers should be more involved in strategic planning. In fact, manufacturers could gain tremendous advantage in meeting retailers’ expectations in this area. Unfortunately, both manufacturers and retailers also recognize that today’s key account managers do not currently have the skills required to meet retailer’s needs.

Retailers place much more importance than do manufacturers on consumer knowledge and demand generation. Specifically, retailers are interested in how consumer learning can be harnessed to increase demand within their particular outlets. In fact, the gap between retailers’ and manufacturers’ emphasis in these areas is expected to increase. In addition, retailers judge key account managers’ current proficiency lacking in a number of these skills. As retailers see this as becoming significantly more important than do manufacturers, the major disconnect in expectations and, therefore, capability requirements offer an ideal opportunity for savvy manufacturers to differentiate themselves from their competition.

Lastly, as expected, manufacturers tend to be more internally focused, placing greater emphasis on account managers’ skills and abilities to manage and

control their business. After the fact, it is not surprising that retailers find these skills far less important in an account manager, as there is no immediate benefit to them. But virtually every manufacturer thus far went into the study believing this would be important to the retailer also.

What Can You Do With The Results?

Participating organizations in the Capabilities of the Future Sales Force Study have begun to use these early results to initiate actions to hone the effectiveness and efficiency of their sales forces. Here are a few examples:

One organization is using the retailer importance ratings to adjust its sales development strategies. It plans to revise the course mix offered to key account managers to more closely match the skills retailers will look for in the future. In addition, the information will be incorporated into sales development processes for purposes of succession planning.

Results prompted another manufacturer to commission DHC to conduct a more in-depth study of its key customer relationships. The objective is to close the gaps between its services and its key customers’ expectations to ensure competitive advantage in its category.

Yet another participating manufacturer is using the major finding of the study to act as the springboard for discussion at its annual sales meeting. Its goal is to solicit input and reach consensus within the sales organization on best practices to meet customer needs, including changes in the skills and behaviors that reinforce the company’s brand image.

For details on the study, contact Susanne Conrad or Ben Ball at Dechert-Hampe & Company’s Northbrook, Illinois office at 847.559.0490 or e-mail your request for more information to: sconrad@dechert-hampe.com. 



The Training & Development Dialogue Group (TDDG)

The TDDG is organized and hosted by Dechert-Hampe & Company (DHC) and has been in existence for more than 12 years. Member firms are consumer products companies that have established a leadership position in Sales and/or Marketing development.

TDDG provides a forum for senior Sales and Marketing Development professionals from non-competing companies to:

- Share information, ideas and experiences that improve development productivity
- Analyze and discuss current issues, innovations and events affecting the developmental needs of consumer products sales and marketing personnel
- Explore creative, yet practical, approaches to the current and future opportunities faced by Sales and Marketing Development professionals in the consumer products industry

TDDG meets semi-annually for a 1-1/2 day session at varying locations across the country, and there are no membership fees. Each meeting focuses on two to four issues identified by the membership. In addition to discussions and presentations, the TDDG may elect to take action on some issues. Such action might include:

- Presentation of group work at appropriate industry forums; or
- Distribution of white paper opinions
- Proprietary research
- Develop shared program platforms

If you would like additional information on joining the TDDG or would like to attend a meeting before deciding to join, please contact:

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