

# Great Selling Organization Survey

BY DAN GRAHAM



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Every company that is in the business of selling knows that having a great sales organization is the only way to be really successful. Your sales organization is where the rubber hits the road; it is where all of the hard work from throughout the company faces the moment of truth; the decision to buy – or not to buy – by the customer.

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At Dechert-Hampe & Co., we understand how important selling organizations are, since helping to improve their performance is what we spend the majority of our time doing. We also thought it would be of significant benefit to our clients to help them understand how they could make their sales organization great. With that goal in mind, we undertook research to uncover the characteristics of a great sales organization.

To our surprise, while everyone agrees that it is important to have a great sales organization, very little research exists on how to make that happen. As a result, we decided to tap into the creativity and knowledge of our client base, and do some pioneering research on this very important topic. The result is our initial study on what it takes to have a great sales organization.

## Methodology

Our study is based on a survey taken by our extensive and diverse group of **Viewpoint** readers. The survey consisted of 35 questions, focusing on the most important results (6 questions) and characteristics (29 questions) of a sales organization. Respondents were asked to rank each on a scale of 1 to 3, with 3 being most important, 2 important and 1 least important.

Respondents were also asked to tell us about their position and the size of their organization. Those completing the surveys self-identified themselves as a Manufacturer (sales or marketing), Retailer or Third-Party Service Provider. They also indicated the dollar sales of their company as less than \$500MM, \$500MM-\$1B or greater than \$1B. Manufacturing respondents were also asked to specify the type of sales force in their organization: direct, broker, hybrid or distributor/manufacturer representative.

The results questions were intended to evaluate the importance of six attributes or “Results” a sales organization could achieve. The “Characteristics” questions explored things such as specific selling skills, systems, processes and the structure required to achieve business success.

The results presented here are based on 64 completed surveys.

## Respondent Composition

The majority of respondents, 70%, worked for Manufacturing organizations and 64% of that group indicated that they had a Sales role. Twenty-three percent of total respondents worked for Third-Party Providers.

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**ABOUT THE AUTHOR** Dan Graham is Vice President of Dechert-Hampe & Company based in our San Juan Capistrano, California office. Dan has extensive experience working with clients on customer development projects and customized sales productivity tools. Prior to joining Dechert-Hampe, Dan was Director, Category Management at the Von's Company.

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Only 15% worked for medium size companies. Smaller companies (under \$500MM in sales) were represented by 36% of respondents and larger companies (over \$1B in sales) by 48% of respondents.

Of the Manufacturing responses, the most common type of sales force represented was hybrid at 52%.

## Results of a Great Selling Organization

Overall, participants said the most important results of a great selling organization were:

- Better speed to market
- Achieve sales quota
- Share of shelf and activity exceeds market share
- Higher return on promotional investment

The same four attributes were consistently ranked on top across all respondents, with very little difference due to Industry Role or Company Size. *Low cost to acquire* was found to be the least important attribute in all instances.

Retailers, in particular, felt *below average cost of sales* and *higher return on promotional investment* also ranked very low in importance.

## Characteristics of a Great Selling Organization

### MOST IMPORTANT CHARACTERISTICS

Overall, the five most important characteristics of a great selling organization were determined to be:

- Leadership
- Builds customer relationships
- Creativity and innovation
- Effective account executives
- Strong team management/teamwork

In each case, over 63% of all respondents rated these characteristics as most important. Virtually no one rated any of these five attributes as least important.

There was very little variation on the selection of the five most important characteristics across the different size organizations.

Both Retailers and Third-Party Service Providers rated leadership as more important than did most Manufacturers.

Retailers also rated creativity and innovation and strong team management/teamwork as less important than did Manufacturers and Third-Party Service Providers.

### LEAST IMPORTANT CHARACTERISTICS

The characteristics established as least important were:

- Having a global perspective
- More mobile employees
- Tight management controls
- Being multicultural
- Having stability (longer tenure employees)

There was however, less consensus on the least important attributes as only 27% of all respondents agreed that all five of these rated least important. In fact, at least 33% of all respondents rated each these five as important and at least 9% of all respondents rated each of these as most important.

### CHARACTERISTIC GROUPINGS

The 29 individual characteristics can be grouped into 5 categories:

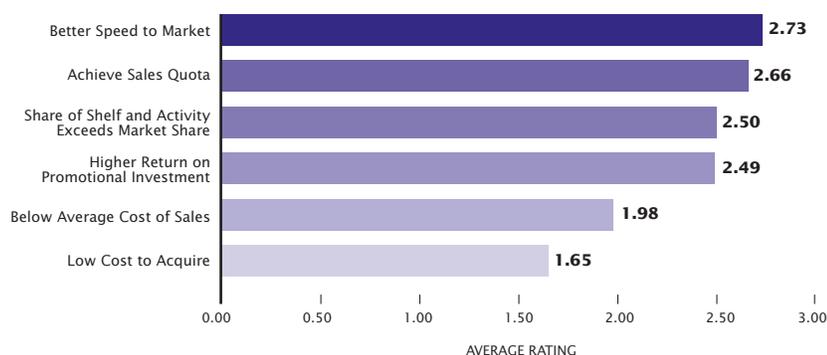
- Personal/Interpersonal Skills
- Execution Excellence
- Organization Capabilities
- Use of Technology
- Organization Structure

The characteristics ranked as most important were consistently from the People/Interpersonal Skills category. Respondents overwhelming rated this group of characteristics as most important – 65% of the time – and as important 32% of the time.

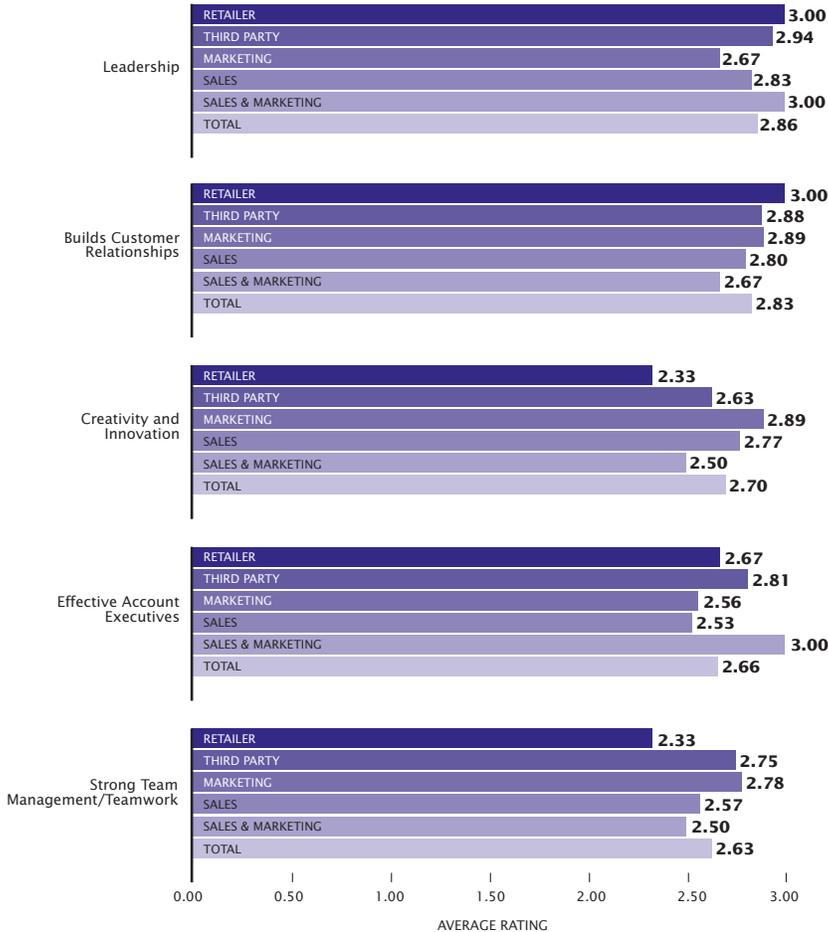
Characteristics associated with Execution Excellence also ranked high. Respondents rated this group of attributes as most important 52% of the time and as important 39% of the time.

The least important characteristics were found in the Organizational Structure category.

## MOST IMPORTANT RESULTS OF A GREAT SELLING ORGANIZATION



**MOST IMPORTANT CHARACTERISTICS OF A GREAT SELLING ORGANIZATION BY INDUSTRY ROLE**



**Implications**

Despite the recent industry focus on technology, *people* remain the key to winning. The characteristics rated “most important” focused on personal capabilities and interpersonal skills. Superior people and interpersonal skills are still the keys to a Great Sales Organization.

Technology and organization capabilities were rated as important, but these characteristics are the “price of entry,” not the key to gaining a sustainable competitive edge.

While personal capabilities are critical, long tenure and mobility are not considered to be important, implying experience is not as important as ability. Organizations are much better off with the right talent level, rather than an “experienced” organization.

**Lifting Sales and Profits**

When it comes to sales practices, it really does matter how CPG organizations play the game.

Companies that excel on at least three of eight sales performance levers achieve faster sales and profit growth than their peers. These levers are pricing, trade spending, retail execution, headquarters selling effectiveness, supply chain, innovation, post-merger management and talent management.

Winning companies are anything but homogeneous. Winners include large and small, food and non-food companies, some with number one brands and some without leading brands. Some winners use direct sales approaches and some rely on sales agents.

The differences are in the practices winners adopt. They share three behaviors: they create strategies that center on their top customers, they break the silos that often lead organizations to work at cross purposes and they invest their time, resources and capital to generate profitable results.

Source: McKinsey & Co., *Customer and Channel Management Survey* as published in First Quarter 2003 FORUM.

**Conclusion & Recommendations**

Organizations apparently feel the path to success is to hire the right kind of people, give them the organization specific knowledge they need, put them in the right environment so they can excel, and reward them so they will stay.

To gain a competitive edge and make your sales force great, first focus on getting and retaining the right people, and then support them with clear direction and leadership, modern technology and effective support services. **v**