

Do You Still Need Salespeople?

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The role of salespeople has radically changed in the age of customer empowerment.

Picture a scenario where customers are well-versed in your cost structures and negotiate from a position of knowledge. This is the new reality, and for many, it can be a daunting prospect. The auto industry has navigated this terrain for over a decade, with customers armed with VIN (vehicle identification numbers) costs, ready to assert their advantage. Salespeople find themselves at a disadvantage.

The traditional salesperson role is to navigate the sales process from the manufacturer's perspective, leveraging knowledge and pricing arbitrage. Knowledge arbitrage empowered salespeople to educate customers about products and solutions, offering insights not available to customers before engaging with a salesperson. The power of price arbitrage allowed salespeople to negotiate prices and accommodations while customers managed their budgets.

For decades, this power dynamic favored salespeople, except when products were considered commodities. Customers consistently tried to commoditize products by comparing them to competitors, while salespeople argued the superiority of their solutions to justify premium pricing.

This power play turned sales into a craft of trickery and deception. Hiding defects and utilizing closing tricks, including fear, uncertainty, and doubt, became part of the game. However, this approach often led to customer resentment and negative experiences.

THE RISE OF TRANSPARENCY

The advent of sales process transparency, fueled by digital tools, has radically shifted the balance of power. The sales funnel, once managed predominantly by salespeople, has become automated and smarter through technology. Data analytics enables personalization and accurate solution suggestions, while AI provides answers tailored to each customer. Peer-to-peer platforms bridge knowledge gaps, and marketing automation inserts knowledge at relevant stages without salespeople's intervention. Combined with powerful e-commerce and self-service platforms, the traditional role of the sales team is becoming obsolete.

RETHINKING THE ROLE

If knowledge dissemination and price negotiations no longer require salespeople, what is their role? Can companies dispense with this role altogether, eliminating salaries, commissions, travel expenses, and the coveted President's Club trip? The idea sounds appealing, and CFOs may be tempted to explore it immediately.

While it seems like technology leads the future, history offers a cautionary tale. In early 2007, Circuit City, then a leading electronics chain in the United States, decided to eliminate its better-paid commissioned salespeople, believing that their products sold themselves. By November 2008, the company filed for bankruptcy, and the sales team elimination was a contributing factor to its demise.

A NEW ROLE DEFINITION

The shift in power, where customers often know more than us, demands a radical redefinition of the salespeople's role. Knowledge dispersion and price negotiations are no longer their primary contributions. Answering questions holds less value, as customers increasingly rely on peer-to-peer, social-media-based answers.

The new role of salespeople, or "decision architects" as I would call them, focuses on providing expertise in structuring decisions and aligning them with customers' lifestyles. While customers have gained knowledge, they may lack expertise in making complex decisions.

DECISION ARCHITECTS IN ACTION

The decision to purchase product X is one of many decisions customers make during the day. Salespeople bring depth and expertise to the decision process, not just to the final outcome.

It is clear that customers looking for business-to-business solutions often do not know how to define their specifications. It is common to close a sale only to reopen it during the delivery process because the customer forgot certain requirements.

I advise my clients to always assume that the client-provided requirements are complete and accurate. Collaborating with clients to gather requirements and not rely on them to define them

is the first role of decision architecting. The second role is helping clients prioritize what they want and why, another area of customer weakness.

The evolving sales role requires guiding customers through the decision-making process, preventing mistakes, and focusing beyond the purchase order signature. It involves asking different questions, structuring requirements gathering, and prioritizing mechanisms. This is the new expertise and value salespeople can bring to the table to knowledge-empowered customers who are clueless about how to make the decision.

During my workshops, I emphasize the distinction between technical and emotional specifications. The first is what the customer states, the second is what the customer really wants. Technical specification may lead to completed implementation but not necessarily to customers' success. The latter requires a radically different process to achieve it and it needs to be led by the newly, redefined decision architects (formerly known as salespeople).

FINAL WORDS

So, who needs salespeople? If it's the old, trickery-based manipulator, the answer is no one does. However, if it's a value creator helping customers structure logical, mutually beneficial decisions, the answer is everyone.

It's time to elevate the role to what it truly deserves: a new beginning opener, a director of dream fulfillment, guiding customers through the journey of decision-making in an era where knowledge is abundant, but structured decision-making is invaluable.