SHOULD YOU GO FORWARD OR BACKWARD TO SOLVE SALES PROBLEMS?

By Troy Harrison

It's not uncommon. You're rolling along and succeeding. Whether it's your own personal sales, or the sales team that drives your company, the numbers are coming up beautifully, relationships are being built, customer loyalty is in place, and all is well. Then….it happens.

Something goes wrong. Maybe customers start quitting. Maybe, all of a sudden, you have turnover issues. Perhaps new customer sales aren't happening anymore. Whatever it is, you have a problem that demands a solution before you can get the business moving forward again.

This is a moment that defines the difference between continued success and failure for many salespeople and company owners alike. Too often, I see business owners move forward with "solutions" that end up being no more than a temporary Band-Aid, or worse, extra expense. This is one of those moments when the best rule is, "When in a hole, stop digging."

When you have been successful at something, and then a problem pops up, the best thing is to mentally move yourself back to a point where you were successful, and then ask yourself what has changed. These problems typically have one (or more) of three causes:

1. You've stopped doing what made you successful in the first place.
2. Something fundamental has changed in your environment.
3. Your success wasn't repeatable and/or sustainable.

Let's look at some specific examples of how these can manifest themselves.

The first is the easiest – you've stopped doing what made you successful. The best and most common example of this is the salesperson (or sales team) that reaches a certain level and decides that it's appropriate not to prospect anymore. Then, a key customer or two goes away for a reason that's no fault of the salesperson, sales shrink, but once a sales team stops prospecting, it's very difficult to get them started again. I once worked for a company that went from $0 to $37 million in 13 years, and then the owners told the salespeople not to prospect. They went from $37 million to $18 million in less than two years – which is when I was hired. Restarting prospecting efforts of a sales team that has stopped prospecting is like turning the Titanic.

If this is your problem, the answer is simple – get back to basics and do what make you succeed in the first place.

The second issue is tougher. Something fundamental has changed in your environment. This one is tricky because finding the problem is difficult, and sometimes there is no obvious fix. Here's an example.

In one of the industries that I work with, the largest companies in the industry have historically grown by finding salespeople with an existing book of business and then bringing them on as independent contractors – basically buying the business. This was their historical system for more than 50 years.

The problem is that, suddenly, the flow of salespeople interested in this deal has gone away. The company hasn't changed their financial arrangements, but yet they're not finding salespeople who are interested in taking them up on their deal.

The fundamental change is that their industry is graying, and newer/younger salespeople aren't as interested in taking on a 100% commission, independent contractor, sales position. Younger salespeople (and I count my generation in this) are more likely to choose a position with a salary plus a commission.

In this situation, the company's fix – which some have embraced and some have not – is to revamp their compensation plan, forget about buying books of business, and grow their own salespeople with their own sales programs that will build a sustainable business.

If you feel something has changed in your environment, and you're struggling with what it might be, you have a few options:

1. Talk to others in your position, but not in competitive environments, to see if they are seeing the same things.
2. Interview your stakeholders – employees, customers, suppliers – to get feedback on what changes they are either seeing or driving.
3. Get an outside resource to come in and give a second opinion.

The biggest mistake made in this situation is the double-down. Instead of stopping and figuring out what the problem is, business owners will throw more money and more resources behind the 'old' system.

The third situation involves a willingness to do a strong self-assessment. This is when your success or growth came from some source that wasn't sustainable or repeatable. In other words – and this is where the humility comes in – you have to admit that you got LUCKY. Maybe you landed one big customer – or a sequence of customers.

Maybe you just fell backwards into hiring the perfect salesperson one time. Sometimes salespeople, and business owners, just hit it lucky. Here's the truth.

Unless you have a process that allows you to predictably repeat that success, you're going to have to hope to get lucky again and again to continue your success. That's darned hard to do.

The realization that you've gotten lucky – or done something that's not repeatable – should be followed by a project to develop repeatable processes and habits that will build a sustainable success pattern. Start digging into numbers like your closing ratios, call-to-appointment ratios, appointment-to-proposal ratios, etc. Start working on a hiring process that uses best practices. Counting on just getting lucky again is a recipe for failure.

Whatever is causing your problem, the key to restoring success is to stop and correctly diagnose the problem before moving forward. I see innumerable companies waste time and resources on a classic "double down" where they're throwing money and people at the problem without even knowing the root cause.

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