

Why Poor Company Performance Reviews Get it Wrong and What to do About it

CSO Insights, in its *World Class Sales Practices* (2017), found that '*win rates are slipping further under the 50% mark.*' When sales fall grossly short of forecast many companies go into poorly planned or executed damage control.

Sales Consultants often witnesses one or more of the following reactions:

- Savagely slash expenses to the point of crippling day to day operations
- Replace the sales manager/sales director
- Reduce the number of salespeople. One company we know retrenched the whole sales team, then expected branch managers to perform the additional role
- Discount products and services in the false belief it will generate sales. Clients are sceptical of heavy discounting as they feel there must be something wrong with the products of this company, or they infer that the vendor is in trouble and might not be around to support their product
- 'Fix sales' by sending salespeople to a sales training course or use the internal learning and development manager to facilitate a sales course.

In every case we have come across, the approaches above produce short lived impact but are not sustainable.

The outcomes of these inadequate tactics are:

- The bottom line looks better short term, because costs dramatically reduce
- Morale drops to an all-time low
- Good people start to look for alternate employment
- Employees feel guarded in what they say; and do the minimum necessary to keep their jobs. In fact, activity levels often increase but productivity drops
- Creativity and innovation is replaced by risk aversion

- Competitors start to increase market share.

If you can relate to some of the above outcomes you will have experienced what happens when poor strategies are implemented.

The real risk is the company is left in a weaker position, opening themselves to a take-over by a stronger competitor or quite frankly, go into receivership.

So, what is the answer?

Firstly, don't panic. Closely aligned to this priority is don't oversimplify what could be a complex issue by solely blaming the sales team. The current situation happened for a reason or reasons and, with respect to the CEOs who may be reading this, there were earlier signs to act but these were ignored. Once the situation became untenable businesses are forced into action, but in a pressure situation decision making can drive reactive survival behaviours such as those listed earlier.

Whilst every company's situation will vary and not necessarily require all the below action items, these provide possible answers:

- Take this opportunity, as painful as it may be, as a learning experience. If painful enough you won't make the same mistake/s in future
- Take this opportunity to review the whole company. What are we doing well in all departments; where can we operate more effectively and by doing so reduce costs?
- Objectively assess all areas of revenue generation. Where does most revenue come from and why? Can this be done better? Similarly, assess where the profit comes from. Concentrate on those products first
- Are our salespeople below or on par with competitor salespeople's competence? What can we do to improve and measurably operate at a high level of sales competence That will result in increased new and account-based sales
- Review the business structure. Is there a better business model we could use?
- Develop a new vision and business plan; improve processes and create buy-in by communicating and reinforcing the positive direction the company is headed, as well as why and how vital every-one is in achieving it.

A key recommendation is to hire a reputable consulting firm with whom you can work with in a collaborative manner. Have they a track record that when things get tough they are there `shoulder-to-shoulder? Are they able to work with all levels of management and employees?

By using the right consultant will help to keep the whole process objective, minimise disruption whilst maximising improvement and create the buy-in needed for the future success of the organisation.

If you want to discuss anything to do with improving sales performance, then contact Kurt Newman direct on +61 412 252 236 or email kurt@salesconsultants.com.au. Please enter the subject heading "Enquiry".



Kurt's expertise is in improving the sales effectiveness of his clients' businesses by generating more sales and in a more profitable manner. He has guided companies to increases sales from 10-56%. Clients range from small to multinational companies and he has completed projects in Australia, the Middle East, Asia and Europe.