INCREASING SALES PRODUCTIVITY BY GETTING SALESPEOPLE TO WORK SMARTER

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The cost of selling has increased significantly over this decade. A recent survey reports that the average cost of an industrial sales call is $131, and the total selling cost to close a sale is $751 at 5.5 calls per completed sale. These costs increased 81% from 1980 to 1985 (Kern 1986). Shapiro and Wyman (1981) have outlined a variety of new communication approaches that firms are using to reduce the cost of selling such as telemarketing, direct mail, and demonstration centers. However, a salesperson’s personal contact with a customer is, and is likely to remain, the most effective method of making a sale. Increasing the salesperson’s effectiveness during an interaction, thus, continues to be a major sales management task.

Our research (see Weitz, H. Sujan and M. Sujan 1986 for a complete review) with over 2000 salespeople working for over 200 companies indicates that a key factor for increasing salesforce productivity is getting salespeople to work smarter during their interactions with customers (a description of these studies is given in Figure 1). This view contrasts the principle underlying many motivation programs currently in practice which are designed toward motivating salespeople to work harder—to spend more time selling, make more calls, and put in more effort with tough customers. Our studies have found that the performance of industrial salespeople is more strongly related to what salespeople do rather than how hard they work.

We found that the better salespeople work smarter (H. Sujan and Weitz 1987). Specifically, they practice adaptive selling, i.e., they alter their sales approaches based on the nature of the customer to whom they are selling. While the notion that effective selling requires the salesperson to be sensitive to the needs of the customer and to the demands of the selling environment is not new, what is missing is a more precise understanding of what constitutes working smarter during a customer-salesperson interaction. In their paper, Weitz, H. Sujan and M. Sujan (1986) have made a start towards creating this understanding by suggesting that effective salespeople are more knowledgeable about selling approaches that can be used and more skillful at selecting the appropriate approach for each situation. Like chameleons, these high performers draw upon their large store-house of information about customer types and selling strategies to change their “colors” to match the selling environment (Kiechel 1988). This practice of adaptive selling enables salespeople to exploit the unique advantage personal selling over other marketing communication vehicles.

**Adaptation: The Unique Advantage of Personal Selling**

The opportunity to tailor-make presentations for each individual customer is an advantage unique to personal selling. Other marketing communication vehicles—advertising, direct mail, packaging—force aggregation to the level of a market segment, resulting in the delivery of one standard message targeted at the typical customer in the segment. The many not-so-typical customers may find the message quite inappropriate.
We collected data through structured questionnaires from 499 salespeople employed by 99 organizations. A large portion (66%) of these salespeople sold industrial products. The sample spanned salespeople with no experience to those having 45 years experience. Sales managers classified the salespeople as either being above or below average in performance. The data indicated that above average performers showed greater variability in the selling strategies they used across their customers. Further, an intrinsic interest in the task of selling—finding the experience of selling enjoyable—was an important predictor of adaptive selling. (H. Sujan and Weitz 1987)

A study among 268 salespeople employed by a manufacturer of medical equipment and supplies confirmed that the ability to adapt sales presentations to meet the needs of the selling situation was significantly related to performance. (Spiro and Weitz 1986)

A survey of 1283 salespeople from 12 companies revealed that those who attributed poor strategy as a cause of their selling failures were more motivated to vary their methods of selling, i.e., be adaptive and learn from their experiences. (H. Sujan 1986)

Another survey of 50 salespeople for a manufacturer of electronic test equipment led us to the conclusion that salespeople who form accurate impressions of their customers needs and beliefs are better performers. Further, this knowledge helps them formulate strategies more appropriate for the customer. (Weitz 1978)

Interviews and semi-structured questionnaires administered to 50 telephone sales representatives working for a non-profit organization revealed that the more successful callers could describe their customers in greater detail. They used a greater number of demographic traits, personality traits, and behavioral intentions to describe their customers. Also, their knowledge of strategies that would be appropriate for each type of customer was richer. They also tended to use specific rather than global selling strategies and a problem-solving oriented approach towards their customers, more so than less effective performers (H. Sujan, M. Sujan and Bettman 1986a; 1986b).

Further, customer information used to design this message is collected through formal market research that samples potential customers to assess typical needs and beliefs. This formal monitoring of marketplace reactions and the altering of promotional campaigns is slow. In contrast, salespeople can feel out the needs of each of their customers, and design individualized presentations. Further, they can make rapid changes to alter their presentations. For example, even during the process of talking with a customer, through monitoring the customer's reactions, they can quickly change from an open, friendly approach to a business-like approach, or from stressing one product benefit to emphasizing another benefit.

In sum, the opportunity to be truly adaptive is unique to personal selling and, consequently, selling effectiveness is strongly linked to the degree to which salespeople exploit this opportunity.

What Makes Salespeople Effective Adaptors: Knowledge And Motivation

A key ingredient for effective adaptive selling is knowledge. Salespeople need to "know" their customers. Just as a successful advertising strategies require detailed knowledge about target segments, successful selling requires detailed knowledge about different types of sales situations and customers. In addition, salespeople need a repertoire of selling strategies and knowledge about which strategy is best suited for each specific sales situation. While this knowledge, for the most part, is acquired directly by salespeople from their own experiences, training programs can be designed to facilitate the acquisition of this knowledge.

Motivation plays an important role in enhancing the acquisition of knowledge from experience. In order to learn from their experiences, salespeople need to be motivated to look for differences between selling situations and between types of customers, to explore the impact of different types of selling strategies, and to examine their experiences for strategic errors and successes. This aspect of motivation—the motivation to deliberately and consciously “experiment” with sales approaches in order to learn from them—is what we mean by motivating salespeople to work smarter. Sales management programs that motivate their salespeople to work smarter will result in the rapid development of a strong knowledge base in their salespeople and the practice of effective adaptive selling. In what follows we suggest ten sales management activities that facilitate salespeople in working smarter.

10 Ways To Increase Salesperson Productivity

Consider the following sales situations.

Nancy Newhire has been an Amstead Hospital Supply (AHS) salesperson for six months. AHS hired her directly after college because of her friendly, outgoing personality, high motivation, and record of achievements in college. After six months, Nancy’s sales performance is disappointing. While she has developed a rapport with and realizes significant sales from some customers, she does not have a successful relationship with other customers. When confronted with this situation, Nancy tells her supervisor that she has not sold to are either locked-in to other suppliers or simply hard headed and do not listen to her presentations. Her supervisor feels that Nancy is most successful in dealing with customers who are like herself—customers who place great value on strong personal
relationships with their suppliers’ sales representatives. To motivate Nancy to develop a broader range of customers, her supervisor has altered her compensation program by reducing her salary and increasing commissions on sales to new accounts. Her supervisor constantly emphasized how much money Nancy could make if she just focuses more effort on new accounts. Nancy really feels increased pressure to call on new accounts. She has begun to focus so much on sales and commission generated from new accounts, that she no longer looks forward to going to work in the morning.

J.R. Fredrick works part-time for Spokes Car Rentals at the airport sales counter while he is attending MBA classes. The job is pretty routine, but his supervisor has presented a challenge to him—increase the percentage of rental car agreements with add-on insurance sales. Each month the percentage of add-on sales for every salesperson in the district is published and J.R. has made a resolution to become #1 in his district. At first, he described the benefits of the insurance add-ons and asked every customer if they wanted the add-ons. After a while, he recognized that there were several different types of rental car customers. The business traveller who used corporate accounts and rented cars frequently; they were usually in a hurry, knew about the add-ons, and could not be influenced to change their pre-formed decision about add-ons. People travelling with their families for pleasure were very concerned about avoiding problems on their trip and were easily influenced to accept add-on insurance. Local customers renting a car while their personal automobile was unavailable were good prospects for add-on insurance if they were renting only for a few days. After developing a taxonomy of different customer types, J.R. formulated a set of short sales presentations that began with a question, to assess the customer type, and then followed with specific benefits to which that type of customer seemed particularly responsive.

The suggestions for sales management practice that follow will be developed in the context of these scenarios.

**Teach Salespeople to Better Categorize Customers**

While personal selling as a communication vehicle has the advantage of allowing salespeople to treat each customer differently, in practice, salespeople cannot take the time to treat each customer in a totally unique manner. They need to stereotype or categorize their customers. At first blush, this categorization or stereotyping may appear to be dysfunctional; but research in cognitive psychology suggests that categorizing is usually very functional. The purpose of categorizing customers is to reduce the complexity and difficulty of the selling function and, thus, free up mental capacity for more creative thinking. Further, by categorizing sales situations and customers, salespeople are able to effectively use their past knowledge. For example, when J.R. Frederick meets a new rental customer he is able to categorize this customer as a “local, one-day rental” type, and then access from memory a strategy that has been effective in the past for dealing with this type of buyer. In addition, J.R.’s knowledge of “local, one-day rentals” may cover not only strategies that are likely to work with this type of customer, but also strategies that are likely to be ineffective.

Chase and Simon (1973) provide support for the functional nature of categorizing. They found that, during a game, chess masters compare the position of the chess pieces on the board with chess configurations they have in memory. This categorization of game positions helps masters retrieve useful moves from memory rather than construct new moves. “One key to understanding chess mastery seems to lie in the immediate perceptual processing, for it is here that good moves are generated for subsequent processing. Behind this perceptual analysis, as with all skills, lies an extensive cognitive apparatus amassed through years of constant practice” (Chase and Simon 1973, p.56). The parallel, then, is to encourage salespeople to organize their prior selling experiences into useful sales situation categories and to associate these categories with appropriate selling strategies.

Our research suggests that some bases for categorizing customers are more functional than others. Generally, “underlying” attributes for classifying customers (e.g., personality or behavioral styles, product needs) are better than “superficial” attributes for classifying customer (e.g., title in organization, sex, age). One clue for determining whether an attribute used to categorize customers is underlying or superficial is that underlying attributes almost automatically suggest appropriate strategies (e.g., needs and benefits suggest appropriate sales approaches) whereas superficial attributes are not strongly lined to strategies (e.g., there maybe no obvious strategy for dealing with younger versus older buyers).

One popular training program, which is widely used and encourages categorization based on underlying attributes, is described in Figure 2. David Merrill and his colleagues (Merrill and Reid 1981) in their research uncovered four basic patterns of be-
behavior, or social styles, and found that better relationships are achieved when people adjust their social style so that it is congruent to the style of the person with whom they are interacting. The sales training program based on this research begins by helping trainees understand their own social styles and identifying the social styles of their customers. Then, trainees are instructed on how to make appropriate adjustments in their sales behaviors to bring their communication style in line with the customer's style.

The four basic social styles or categories, shown in Figure 2A, are based on two dimensions of social behavior, assertiveness and responsiveness. Assertiveness is the amount of effort people use to influence the thoughts and actions of others, while responsiveness is the amount of effort people use to control their emotions when relating to others. Cues for categorizing customers into these categories are shown in Figure 2B. Having classified a customer, trainees are taught, as shown in Figure 2C, how to adjust their social style to match the customer's social style. For example, a Driver salesperson selling to an Analytical customer should reduce his or her assertiveness by asking for the customer's opinion, listening without interruption, being more deliberate, and acknowledging the merits of the customer's viewpoint.

To illustrate, Nancy Newhire described in the first scenario maybe an Expressive and thus naturally effective while communicating with other Expressives. In order for her to communicate effectively with customers with other social styles she may have to reduce her assertiveness and/or increase her level of discipline and control.

Note that this sales training program does not
suggest one best communication style. It suggests that high performance occurs through accurately classifying customers and adjusting one’s natural social style to be more congruent with the customer’s social style.

Categorization does not imply that when a truly unusual customer or situation is encountered, salespeople are constrained by their categorical knowledge in adapting to this situation. Using their categorized knowledge, salespeople are able to identify how the unusual customer or situation deviates from a close category. They then modify a previously used strategy to come up with a new, creative strategy that is appropriate for the unusual customer or situation. Salespeople who do not have categorical knowledge to access are forced to start from scratch in constructing a strategy, and consequently find it much more difficult evolve a selling strategy that is appropriate.

Provide Salespeople with Market Research Information

Much too often market research information does not find its way down to the salesforce. This information is just as important to the selling function as it is to the advertising and communication functions of a company. Information on market segments can be particularly helpful to salespeople. For example, a company selling linen to hospitals determined through market research that there were three basic “types” of hospitals. The first was the traditional hospital in which the medical staff is considered the primary determinant of patient satisfaction. Hospital
supplies and decor are considered unimportant for patient welfare. The second was the private hospital in which hospital supplies and decor are considered important, but as a backdrop to allow efficient functioning of the medical staff. Finally, the third type of hospital was the modern marketing-oriented hospital in which hospital supplies are considered central to the “image” of the institution. This market research information served as a useful starting point for the company’s salespeople to develop a basis for categorizing their customers. While the salespeople used additional information, based on their own personal experiences in the field, to develop more complex and fine-tuned categories, the market research information served as an initial base and as a broad check for the salespeople’s categorization scheme. J.R. could have been helped in his search for appropriate categories of car-rental customers if his company had provided him with market-research information on different segments of car-rental users.

**Encourage Salespeople to Unitize Information**

Training programs typically transmit information on the company’s products, sales presentation techniques, markets and customers, and company policies. Often both excellent and average salespeople are equally aware of this information, the difference being that average salespeople do not integrate or “unitize” these pieces of information while excellent salespeople do. Excellent salespeople organize this information around the sales situations they typically encounter. They associate each sales situation category with typical customer types, likely product requirements, appropriate presentation styles, and useful aspects of company policies. This unitization helps adaptation because sales situation categories and selling strategies are strongly linked. Average salespeople, on the other hand, see few links between the various pieces of information available to them, and as a result have difficulty in using their knowledge to effectively adapt to a selling situation that they encounter.

It is possible to help salespeople develop links between strategies and sales situations through training programs that focus on the unitization of information rather than simply on supplying information. Note that the Merrill and Reid (1981) training program described earlier “unitizes” information by giving salespeople rules for classifying customers and then recommending sales strategies appropriate for each classification. Similarly, through trial and error learning, rather than training, J.R. Fredrick was able to associate effective strategies with customer categories he frequently encountered.

Another example of unitization is a unique sales strategy described below that a company implemented. Tomco (company name disguised) was fast losing sales in its non-technical or “Other” products’ category. This large and miscellaneous category accounted for about 20% of company sales and contained several diverse products—actually over 2000 individual items—such as a variety of bed linen and towels, food trays and serving dishes and patient welcome kits sold to hospitals. The company in an attempt to consolidate sales was considering pruning this category to cut out the less profitable products when Bill Dorman, Regional Sales Manager (West), suggested an alternative plan. Bill suggested that rather than simplifying the product line, the company should actually consider complicating the product line, not necessarily by adding products but by offering hospitals unique combinations of products. Bill’s idea was to come up with bundles of products (e.g., matching linen, towels, trays and patient kits) that could be offered to their customers as a single unit. Bill believed that this pre-selection and combination of products by salespeople for their customers could be an important customer benefit since it could both enhance the image of the hospital (the various miscellaneous items in a hospital room would be coordinated) and could even simplify the buying process for the hospital (a single rather than multiple orders could be placed). Financially it could even help Tomco since less profitable items could be combined with more profitable ones. Thus, implicit in Bill’s idea was the notion of unitization—creatively linking customer needs with product combinations—as a way to increase customer satisfaction and company profitability. The company was extremely successful in increasing sales and profitability through this strategy.

Finally, Cibi-Gergy has developed a set of details (sales messages) to be used when promoting a new pharmaceutical product. Each detail is designed for a specific type of physician. For example, the detail for a particular category of cardiologists is to emphasize the limited side effects of the drug rather than its efficiency.

**Actively Involve Expert Salespeople from Within the Company in Training Programs**

The customer types and sales situations that any one company faces are likely to be quite different from those that other companies face. As a result, training programs imparting knowledge to salespeo-
people in a company need to be idiosyncratic to the selling environment of that company. Standardized sales training programs like the one described in Figure 2 and other programs that use outside "experts" are only useful for creating an initial general knowledge base and for drawing attention to the value of being adaptive. These initial programs need to be complemented by training programs in which company personnel are actively involved, so that the knowledge content imparted is appropriate for the selling environment of the company.

While typically, the best and most experienced salespeople in a company, have developed an elaborate set of situational categories with associated selling strategies, these salespeople often draw upon their knowledge base automatically. That is, they do not consciously sift through their knowledge to match each customer to a category, and then select an appropriate strategy. Consequently, it may sometimes be difficult for expert salespeople to uncover and verbally express their knowledge. It is thus important to involve those expert salespeople in training, or in developing the content of training programs, who are good at articulating their experiences and knowledge. Good sales performance alone does not make a good "trainer."

In spite of the difficulties associated with this, a number of companies have been able to collect the wisdom and knowledge of their best salespeople. An example of this is described in Figure 3. A company selling telecommunication services used their most effective salespeople to identify the types of customers and selling situations most frequently encountered, and approaches for handling each of these situations. Note that at a general level, this company's scheme for classifying selling situations is similar to Merrill and Reid's (1981) categorization scheme in that customer characteristics are used as the basis for categorization; the specific knowledge content, however, is tuned to the company's selling environment. The company then used this information obtained from their expert salespeople in training programs. Role plays were developed for each situation to enable salespeople to experience the situation, and the experts' strategies were used to help trainee salespeople develop strategies beyond the ones they came up with on their own for tackling the situation.

Training programs that capture and incorporate the knowledge of company experts can show dramatic results. As another example, one telephone sales company found that sales showed significant improvement after their best callers were promoted to supervisory status and actively participated in training new callers. Nancy Newhire's effectiveness may have been extended to a broader range of customers by having top performers within the company train her.

Figure 3
Types of Selling Situations for Telecommunication Services

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<tr>
<th>Selling Situation</th>
<th>Recommended Selling Strategy</th>
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<tr>
<td>1. TCM (telecommunication controls manager) influences most of the sales for telecommunication services and TCM: a. refuse to allow sales team to make a presentation even though there is support within other areas of customer's organization. b. TCM has undertaken actions that are illegal, dishonest, and not in his or her firm's best interest, or c. all other alternative sales strategies have been attempted.</td>
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<tr>
<td>Confrontation—Form alliances with other units in the organization that have clout and confront the TCM in such a manner that the conflict is escalated to higher levels in the organization.</td>
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<td>2. TCM has a vested interest in not sharing information and permitting access to decision makers.</td>
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<td>Competition—Acknowledge differences of opinion and establish an atmosphere of respect. Accept that the sales team will not be able to fully penetrate the account. Develop relationship with user groups and provide a higher level of service to those groups than TCM.</td>
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<td>3. Disagreements arise on a specific issue such as TCM insists on a method of solving problems that arise and the method inhibits the selling team's activities.</td>
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<tr>
<td>Non-Aligned Collaboration—Reach an agreement that sales team will support TCM's objectives but be able to pursue its own objectives with user groups.</td>
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<td>4. Differences in objectives arise between the TCM and selling team such as the TCM is interested primarily in new equipment while the sales team wants to promote new telecommunication applications.</td>
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<tr>
<td>5. Mutual agreement of roles, functions, goals, and methods between TCM and sales team.</td>
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<tr>
<td>Alliance—Sales team serves a consultant role with TCM's firm.</td>
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<td>6. TCM has high respect and regard for sales team and lacks financial analysis skills or expertise in telecommunications.</td>
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<tr>
<td>Supervisory—Sales team directs actions of TCM, but makes sure that their role is not recognized by other units in the firm.</td>
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**Make Work Fun**

Organizational psychologists have pointed out that there are two orientations with which people approach their work. In one, people find the work itself enjoyable. They like their job and think work is fun, that is they find the content of their work intrinsically rewarding. Another orientation is to think of work as something that must be done, either to avoid unpleasant consequences (e.g., being fired) or to obtain pleasant consequences (e.g., more pay). This is an orientation to work for extrinsic rewards. Sometimes people seek both extrinsic and intrinsic rewards from their work. However, frequently, a strong focus on extrinsic rewards dampens intrinsic interest.

In sales, frequently, a great deal of emphasis is placed on extrinsic rewards—making more money, getting a promotion, winning a contest. This emphasis encourages salespeople to work hard, to obtain these extrinsic rewards; but often it takes their attention away from thinking about the content of their work and so can negatively influence their tendency to practice adaptive selling. In contrast, an intrinsic reward orientation focuses attention on the content of one's job, fosters creative thinking, and encourages exploration for new and better ways of working (see, for example, Amabile 1983 for evidence supporting this). Thus, sales managers who concentrate on creating intrinsic interest in selling among their salespeople—through setting the job up to be fun and work rewarding in itself—are likely to be more successful at encouraging adaptive selling and improving the productivity of their salesforce than managers focusing on extrinsic rewards. Nancy Newhire's supervisor, by focusing her attention on extrinsic rewards—on the money to be made by selling to new customers—could in fact be hampering her efforts to adapt better to different customer types. Focusing Nancy's attention on the content of her work—on the excitement of converting prospects into customers—might have been a better way of encouraging adaptive selling.

One way to foster intrinsic interest among salespeople is to set up their work as being complex and challenging. Creative ad agencies seem to have understood this concept since they portray their work as creative, challenging and fun. In a similar manner, sales managers could deliberately attempt to complicate rather than simplify the jobs their salespeople do. For example, Bill Dorman's idea of telling salespeople to creatively bundle individual products in a way that both appealed to their customers and were profitable for their company, could lead to enhanced intrinsic interest and improved salesperson productivity. In what follows we suggest some additional ways to foster an intrinsic orientation among salespeople.

**Be Wary of Incentive Compensation**

Incentives (commissions, bonuses and contests) are an important aspect of extrinsic rewards and are used widely in sales as an obvious way to motivate salespeople to work harder. However, it is important that sales managers recognize that sometimes incentives can focus salespeople's attention away from the content of their work to the consequences of it, as with Nancy Newhire, and dampen intrinsic interest (see, for example, Lepper and Greene 1978). Condy (1977), a psychologist investigating the effects of rewards on motivation, points out that often incentives serve as "enemies of exploration." Deci (1975), another psychologist working in the domain, has sought to clarify when incentives dampen intrinsic interest and when they do not. From his research he has concluded that when incentives are perceived as being used to control one's behavior they diminish the drive towards exploration; however, when incentives are perceived as being used as symbols of recognition of one's competence they tend to enhance the drive towards exploration, learning, and developing knowledge. This seems to suggest that the proportion of incentive to total pay may be important. Incentives when a small rather than a large part of one's total salary may be more likely to be perceived as symbolic of one's competence (Berlet 1985).

This argument also suggests that incentives should not be used during the initial stages of a salesperson's development, because, at this time, salespeople are uncertain of their competence and incentives are more likely to be perceived as a method of control rather than a recognition of competence. Incentives at this stage could make the salesperson conservative, inhibit exploration and hence slow down the development of adaptive selling skills. During latter stages of salespeople's careers, when greater confidence exists, incentives can be used as symbols of recognition to bolster feelings of competence and encourage salespeople to continue developing their skills.

Companies such as Digital Equipment minimize the use of incentive compensation and use feedback and promotions to bolster both feelings of competence and productivity in the sales force. However, all too often, a heavy reliance on incentive payment can be used as a substitute for "managing" salespeople. This is what Nancy Newhire's supervisor appears to have done. Rather than take on the complex
managerial task of helping Nancy adapt better, her supervisor used incentives to circumvent the problem, rather than solve it.

**Give Salespeople Feedback on What they are Doing, Not just on How They Are Doing**

When sales managers provide feedback to the salespeople, the feedback sessions may focus on whether or not the salesperson achieved a desirable level of performance, rather than a diagnosis of what the salesperson did or did not do that resulted in desirable or undesirable outcomes. In the absence of diagnostic feedback, salespeople treat their sales managers as targets for impression management. This is, indeed, unfortunate not only because sales managers have a wide range of experience and knowledge to pass along to salespeople but also because their positions enable them to take a more dispassionate view of the salesperson’s work. Take for example the experience of Ed Hirt described below. (This example is derived from a case study by Newton 1981.)

Ed Hirt stared at Melvyn Marks, trying not to show the dismay he felt. Ed, Systems Engineer for AXT Systems, had known Mel, Chief Engineer LDC International, for 7 years and considered him a good friend. They played tennis together at least once a week and often prearranged to have lunch together. Therefore, Mel’s decision to give a 3-year contract to update and service LDC International’s telecommunication equipment to Axle Incorporated (a small, hi-tech company) and not to AXT Systems was unexpected and very disappointing for Ed. Ed later gleaned that Mel had some reservations about the technical sophistication of AXT Systems (and even possibly Ed’s knowledge) and though Mel believed Ed would “service” him well he wanted a hi-tech company managing his equipment.

Ed returned to his office and spent a great deal of time thinking about the lost contract. He also wondered what he should tell Tom Esh his sales manager. It seemed that he had used the wrong selling approach with Mel—relaying too heavily on his friendship with Mel and focusing too little on the technical aspects of AXT’s systems. Eventually, Ed decided to give Tom his analysis of the situation. Tom was rather sympathetic and spent a morning with Ed talking about different customer needs and selling approaches.

While Ed Hirt had misjudged the basis on which Melvyn Marks would make his buying decision, his sales manager, Tom Esh, was in a good position to point out to him needs that he may not have noticed. Sales managers can draw attention to strategies that may be inappropriate and suggest alternative strategies for the salesperson to try out. This kind of feedback, or coaching, is particularly helpful when the salesperson’s environment is complex and changing, making it difficult for him or her to identify important customer characteristics and come up with appropriate selling strategies.

Feedback on what causes outcomes, rather than the outcomes themselves, also has the desirable effect of focusing salespeople’s attention more on the content of their work. Feedback thus can encourage intrinsic interest in the job, make the job inherently rewarding, and promote exploration and the development of adaptive selling skills.

**Encourage Salespeople to Analyze their Successes and Failures**

Related to the notion of providing feedback to salespeople on what they are doing is the notion of encouraging salespeople to be analytical about their own performance. Every salesperson makes mistakes and loses orders. Yet many organizational cultures do not permit salespeople to admit mistakes. McBer and Company, a consulting firm in Boston that examines what constitutes competency in different professions, found that the ability to learn from one’s own mistakes is an important competency for salespeople. Since salespeople tend to encounter many different types of selling situations and have the opportunity to try many different selling techniques, the potential they have for learning from their experiences is generally very high. However, if they block failures from their mind or consider failures to inevitably be someone else’s fault, this potential for learning is wasted. Similarly, if they do not analyze their successes and just consider them to be, say, an indication of their flair for selling, they are wasting the opportunity to learn from these experiences.

Besides analyzing successes and failures it is important to assign the “right” kinds of reasons for these outcomes. For example, taking credit for successes and blaming others for failures is not particularly helpful for learning. In contrast, attributing outcomes to one’s own selling strategy and effort appear to be particular facilitative. In particular, attributing failure to poor strategy, leads salespeople to explore for a better, more appropriate way to sell (H. Sujan 1986). That is, strategy attributions motivate salespeople to adapt. To illustrate, if a salesperson such as Ed Hirt loses an important order and concludes from his analysis that he depended on the personal relationship he had with the buyer when he should have attempted to satisfy the buyer’s
technical concerns, then he is making a strategy attribution. This type of attribution is likely to motivate the salesperson to attend more carefully to the buyer's motives in the future and to develop selling strategies that focus more on satisfying these motives. Thus, on the basis of his making a strategy attribution for failure, one would predict that Ed Hirt is likely to go on to be successful salespeople despite the loss of an order. Similarly, if Nancy Newhire had attributed her failures with dissimilar customers to her not changing her sales pitch to be more in line with the needs and style of this category of customer, she would be making a strategy attribution. In contrast, if Nancy Newhire attributes her failures to the hardheaded personalities of her customers, then she is less likely to be motivated to explore and adapt in the future. Thus, Nancy Newhire needs to be encouraged to analyze her failures for strategic errors.

Some of the ways sales managers can help salespeople to constructively analyze their successes and failures are:

1. When debriefing salespeople about a sales situation, ask the salespeople “why” questions that force them to analyze the reasons for effective and ineffective performance. If salespeople provide external and unchangeable reasons (e.g., the customer was too tough, the competition too strong) probe further till a reason within the salesperson's control (e.g., strategies to combat competition) emerge.

2. Actively suggest that salespeople often fail through using strategies that are inappropriate for particular customer types. Therefore, it is worthwhile for salespeople to think about the strategy they use to approach customers with and to see if they can come up with a strategy that seems more appropriate.

Analyzing outcomes can be fun, particularly if one can see strategic changes that are possible, and can increase intrinsic interest. In such an environment, failure becomes a challenge, a puzzle to be solved, and a very natural happening in the process of learning.

Help Salespeople to Manage Themselves

In contrast to the style of management followed by Nancy Newhire's supervisor, of unilaterally deciding that she should pursue new clients more and putting pressure on her to achieve this, supervisors can work with their salespeople to help them set their own goals and quotas and direct themselves toward these goals—i.e., manage themselves. Self-management is likely to be particularly effective with salespeople, since their work environment often is quite unstructured and since they tend to have more detailed information on their customers than their managers do. Further, because with self-management salespeople decide for themselves what they ought to be doing, this increases their interest in the content of their work. Through focusing attention on the content of the work, self-management aids salespeople in being adaptive.

Build a Sense of Mutual Commitment

A number of researchers have found superior working environments in firms that promote from within and foster long-term employment, rather than engaging in a continual process of hiring and firing (Ouchi 1981). A sense of mutual commitment between employee and company develops with this style of management, resulting in the reduction of competition among employees and the setting of more ambitious and longer-term goals in contrast to manipulating short-term outcomes to gain “visibility.”

For salespeople, this climate of mutual commitment fosters an intrinsic interest in work and gives them the confidence to explore for better ways of selling. Salespeople focus on ambitious, long-term targets, knowing that their developing competence is one of the most important objectives of their company. To illustrate, Nancy Newhire's working environment could have led her to feel that her company was committed, long-term to developing her skills as a salesperson. This perception is likely to have motivated her to experiment with new, alternative approaches for selling and to have made her comfortable at prospecting for new clients; more so than the fear of failure made salient by her supervisor. Thus, this climate, in contrast to a “hire-fire” system, enhances adaptive selling behavior.

Conclusions

In this paper we have made several suggestions for improving selling effectiveness through increasing the adaptability of salespeople. Many of these suggestions are known, at least intuitively, by sales managers and sometimes even practiced. However, an ad-hoc practice of these methods is not adequate for improving selling effectiveness. To ensure the consistent practice of adaptive selling these methods need to be institutionalized: their importance recognized both by sales managers and by salespeople, and the company committed to fostering an environment conducive for adaptive selling.

Important milestones by which to judge a company's progress towards adaptive selling are in-
creases in their salespeople’s motivation to explore and try different selling techniques, a greater inclination in their salespeople to analyze their successes and failures, enhancements in their salespeople’s enjoyment of the task of selling, greater self-management by salespeople, and more detail and unification in salespeople’s knowledge about customers, products and selling strategies. Rather than relying on only output measures such as an increase in sales, the impact of sales management practices and motivation programs can be assessed by examining measures more directly related to adaptive selling. For example, changes in the content and organization of sales knowledge of participants can be used to measure the effect of sales training programs; while compensation practices and motivational programs can be evaluated in terms of changes in salespeople’s interest in their jobs. In fact measures such as these can be used to uncover some potential adverse long-term effects that might be masked by a short-term generation of sales. For example, sales contests may increase product sales in the short run but decrease interest in the job itself, inhibiting learning and the development of adaptive selling skills.

In sum, developing a salesforce with knowledge structures and motivational styles that allow for effective adaptation to the company’s sales environment can result in long-term gains for both the company and its salespeople.

References

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