



THE DEATH OF FIELD SALES



Justin Roff-Marsh

Founder: Ballistix

Bonus Chapter from The Machine

www.salesprocessengineering.net

Extract from:

THE MACHINE

A radical approach to the design of the sales function



- ◀ If you'd like to read more of *The Machine*, be sure to subscribe to Justin's blog. There are more chapters for you to read right now and you'll receive the rest in your inbox as Justin completes them.

www.salesprocessengineering.net

BONUS CHAPTER: THE DEATH OF FIELD SALES

INTRODUCING INSIDE SALES

This discussion is worthy of its own chapter for a couple of reasons.

First, as you're about to discover, the odds are pretty good that you need an inside-sales team. And, what's more, the creation of this team should probably take priority over whatever changes you plan to make to your outside sales activities.

And, second, our discussion of inside sales – is going to bring us face to face with a set of fundamental changes in the way most markets function. And that's not a bad place to start.

THE DEATH OF FIELD SALES

As I write this, *The death of field sales* is my most popular lecture topic. Most event organizers assume that I exaggerate in order to capture busy executives' attention.

Well, it's true that headlines often benefit from a little hyperbole, but there's less exaggeration here than you

might expect. In most markets, field sales is either dying, or its dead already!

Of course, I'm not heralding the end of field salespeople. There is a requirement for field salespeople in some (but definitely not all) markets now – and there will always be circumstances where face-to-face selling is indispensable.

What are on their way to extinction are environments where sales is *essentially* an outside activity. Even in engineer-to-order environments today (think JSG), only a tiny percentage of the total volume of activities required to originate and prosecute a sales opportunity are performed in the field. And those important field activities would simply not occur if it were not for the volume of work performed inside.

The fact is, sales today is an inside endeavor, supported, in some cases, with discrete field activities.

If you want proof, follow one of your field salespeople around for a week. What you're likely to discover is that your *field* salesperson spends less than 10% of their time *in the field*. The balance of their time will be spent in an office of some kind (your head office, a branch office, a home office or a makeshift office in the backseat of a rental car!).

If my prediction is correct, your field salesperson is not really a field salesperson at all. They are an inside salesperson who performs occasional field activities.

There are still some markets where sales is essentially an outside activity. Trade tools, for example. Think of *Snap-on*, whose operators pilot their white, red and black trucks direct to workshops and building sites and sell on the spot.

But, these markets are an exception, not the rule. It's rare, today, to find customers who are happy for salespeople to drop-in, unannounced. Actually, in addition to making drop-ins impossible, most organizations go to quite some effort to rebuff even those salespeople who are polite enough to attempt to schedule a meeting in advance!

We have technology to blame for this disturbing state of affairs.

Fifty years ago, an organization's (potential) customers were out there, in the field. Relative to today, they were isolated from their vendors. This is before fax machines and PBX's were pervasive, and certainly before, email, websites and instant messaging. Salespeople bridged this geographic divide by visiting with customers in the field – and by ferrying information back and forth between their head offices and customers' locations.

Today, customers are no longer isolated from their vendors. Vendors' organizations are as close as the nearest web browser. And fax machines, private lines, email and instant messaging have made it easier for customers to communicate with representatives in organization's head offices than it is to communicate with their salespeople!

That's right, where field salespeople historically served to reduce the friction between vendors and their customers, today, it's more likely that salespeople add friction! Certainly, it's quite common to hear customers complaining that they can get better information and faster outcomes if they sidestep salespeople and communicate direct with vendors' head-office customer-service teams.

Salespeople have responded to this situation with a mixture of defiance and pragmatism.

Most, as suggested earlier, have retreated inside, where they can be more productive. If they're not welcome in corporate offices, they have built their own home offices. But, these same salespeople (and their managers), will vehemently defend the traditional model, when challenged. Even in environments where most transactions are repeat purchases of commodity products, salespeople will argue that sales is *essentially* a field activity and that customers

should be prepared to pay a premium for the value that field salespeople add!

Rather than wading into that argument, let's take a moment to view sales from the customer's perspective.

Ask yourself: if *you* are making a purchase (of an unspecified nature), is your default starting point to look for a person who can come and visit with you in the field?

I suspect not!

It's more likely that your first instinct will be to turn to a medium that enables you to purchase with no human contact whatsoever (if one exists).

If you need to communicate with a human in order to make your purchase, you'll probably prefer a phone conversation to a face-to-face visit (unless the latter is critical for some reason). And, even if a face-to-face visit is critical, there's a good chance that you'd rather visit the salesperson than have one come to your home or place of work.

Now, you might argue that I've stacked the deck in my favor by failing to specify the nature of the purchase: after all, isn't there a difference between purchasing a set of replacement razor blades and purchasing a custom-engineered software application?

Let's explore that.

In the case of the replacement razor blades, it's clear that there's no value in human contact. I think most people would rather make the purchase in a single click on Amazon.

But, in the case of the custom-engineered software application, isn't it clear that you'd need to interact with a salesperson, face-to-face?

Sure. But it's pretty unlikely that this is where your purchasing process would start. It's more likely that you'll start with online research. Then, at your leisure,

you'll have one or more conversations with telephone advisors. While it's clear that, at some point, you'll schedule one (or more) face-to-face meetings, it's likely that you will defer these meetings until there's a requirement for a conversation that genuinely needs to be performed face-to-face (a hands-on workshop, perhaps). And, for the record, such a conversation is likely to have a strong technical component.

It's easy to see how the (JSG) sales model described in the first two chapters of this book is appropriate in engineer-to-order environments (custom-engineered software, for example).

However, it's important to recognize that transactions of this nature are a small percentage of total transactions for most organizations. Even in the case of an organization that sells only custom software, there are likely to be transactions that are simple in nature (e.g. the addition of small features to existing applications).

It's time now to envision the kind of sales function that will support your (and most likely, your clients') preferred approach to purchasing.

THE INSIDE-OUT APPROACH

This fundamental change in market dynamics requires that we make an ideological shift. The salesperson's pragmatism won't cut it. We need to embrace this change and recognize that, today, sales is *essentially* an inside activity.

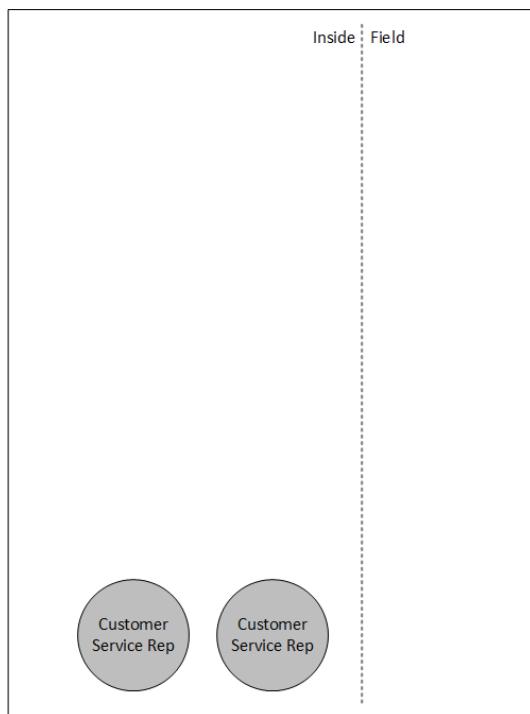
Where planning is concerned, what's required is an *inside-out* approach. Start with an inside sales function and then add field resources as they are required – and *only* to the extent that they are required.

Customer service

The inside-out approach starts by paying attention to the type of transactions that make up the lion's share of a typical organization's revenue.

These are simple – typically repetitive – transactions. For the purpose of this book, we're not treating these transactions as *sales* but they're critical, nonetheless.

These simple transactions should be the responsibility of customer service, along with the generation of quotations and handling of customer issues. (A percentage of these transactions should actually bypass customer service and go direct to ecommerce, but that's outside the scope of this book.)



Customer service should triage all telephone inbound traffic and intercept all simple orders, requests for quotes and issues. Customer service should have sufficient protective capacity to enable the team to handle peak loads and to ensure that no one else in the organization need ever process an order, generate a quotation or handle a customer issue.

Inside sales (and campaign coordination)

Once customer service has control over simple transactions, most executives assume that the next team to add is field sales.

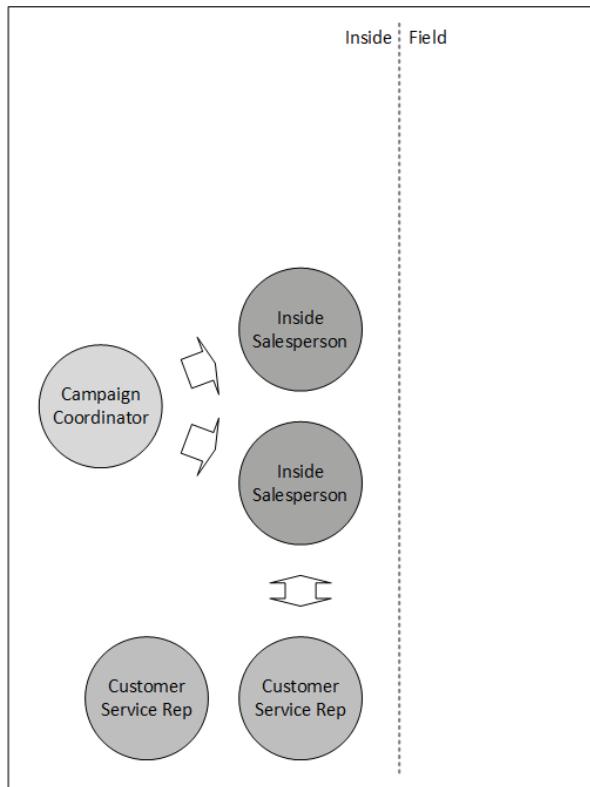
There are two problems with jumping straight to field sales.

First, field sales is incredibly expensive (on a *per-selling-conversation basis*) relative to inside sales. An inside salesperson can comfortably have 30 meaningful selling interactions (including email) a day, where a field salesperson will work hard to average 4 meetings.

Second, if you start with field sales, you will turn your back on a number of selling interactions that you could have had but will not have if you insist that each prospect accepts a field visit.

And this is a critical point!

It's easy for sales managers to argue (as they do) that field meetings are more effective than phone conversations. However, this argument ignores the fact that, an insistence on field meetings results in salespeople having fewer selling conversations overall.



Our inside-sales team actually consists of two roles.

We have the inside salespeople – who perform nothing other than what we call *meaningful selling interactions*. These interactions include phone conversations, email communication and even instant messaging. Of course inside salespeople do not generate quotes or enter orders – these tasks are routed to customer service.

We also have a campaign coordinator – who is responsible for generating all of the outbound sales opportunities that keep the inside sales team members so busy. (Some inbound opportunities are escalated to inside sales from customer service.) The campaign coordinator ensures that inside salespeople always have calls to perform and avoids inside salespeople *hunting and pecking* for sales opportunities within CRM.

Field specialists

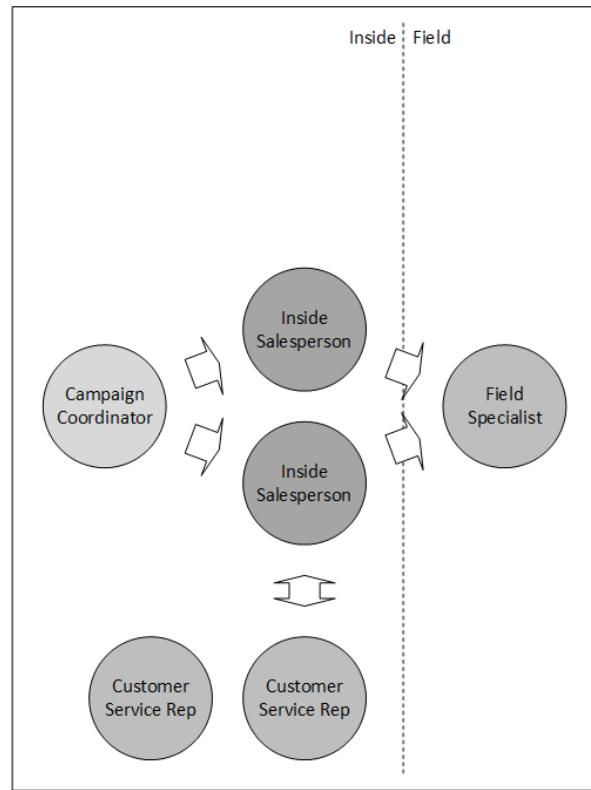
Once you have an inside sales team, you should continue to resist the temptation to add field salespeople for just a little longer!

When you consider the incredible productivity differential, you should make sure that you've fully exploited the potential of inside sales before you add (traditional) salespeople.

So let me unpack that somewhat opaque advice for you!

By *exploit the potential of inside sales*, I mean, keep adding inside salespeople until the revenue you expect your next salesperson to generate approaches their total cost.

And, with the phrase *traditional salespeople*, I'm hinting that it might be possible to use a special breed of salesperson to further exploit the capability of inside sales.



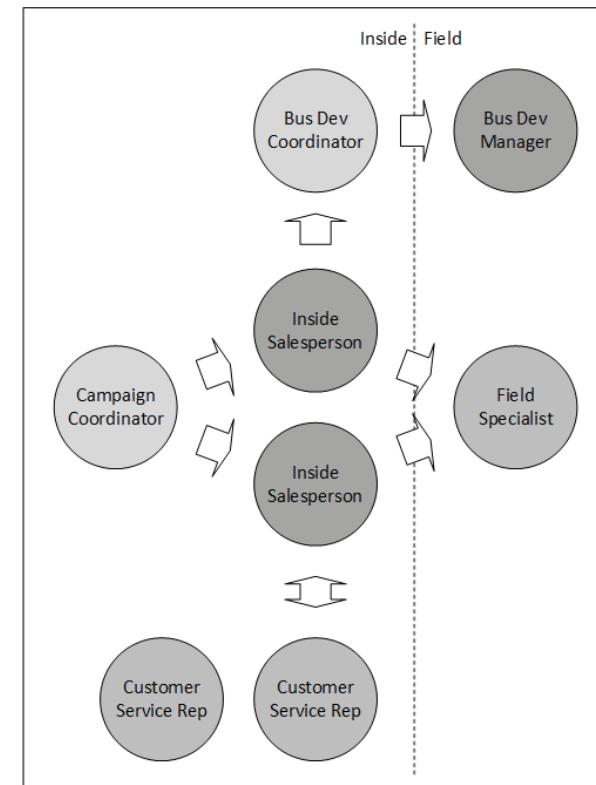
A *field specialist* is a person who supports inside sales by performing discrete field activities. These activities are likely to be technical or semi-technical in nature. Typical activities include on-site requirement discovery and product demonstrations. The field specialist can also perform field visits that are requested of them by the customer service team.

Unlike a salesperson in an engineer-to-order environment (think, Jennifer), field specialists are not primarily responsible for critical selling conversations – they are the responsibility of the inside sales team. Rather, the field specialist is responsible for performing field activities that would otherwise block the inside sales team from selling.

Business development

Once you have fully exploited the potential of inside sales, both by growing the team and by supporting inside salespeople with field specialists, it's now time to consider traditional field salespeople.

And, as you learned in the previous chapter, field salespeople (business-development managers) are an order of magnitude more productive when we partner them with dedicated coordinators.



We now have an outline of the entire *inside-out* sales function (at least at a conceptual level). We also have an understanding about how, in practice, it makes sense to go about building your sales function.

In short, start with customer service and *only* add additional components when you are sure you have fully exploited the existing ones.

WHAT IS THE POTENTIAL OF INSIDE SALES?

Many executives are uncomfortable with this approach because it's based on an assumption that inside salespeople are capable of making many of the sales that are currently being made by field salespeople today.

In my experience, this assumption is absolutely valid.

There are situations where face-to-face selling conversations are absolutely critical. But there are many more situations where they are simply not. And, as discussed earlier, an overestimation of the requirement for face-to-face meetings tends to result in a much lower overall volume of selling conversations.

It's helpful to consider the two situations where face-to-face meetings are genuinely required.

A face-to-face meeting is critical when there are activities to be performed that simply cannot be performed (effectively) remotely. An obvious example would be a meeting between an architect and a land owner to canvas ideas about how to exploit the features of a piece of land. Another example would be a full-day strategic-planning workshop.

A face-to-face meeting can also be very beneficial when a potential client is contemplating a purchasing decision that involves high levels of uncertainty. For example, if you are not a lawyer and you are considering

appointing a lawyer to represent you in a particularly important case, you would feel compelled to meet your proposed counsel face to face. As a non-lawyer, you lack the ability to make an objective assessment of the individual's professional capabilities and you have little choice (for better or worse) but to use your assessment of the person as a proxy for their professional capabilities.

Our experience is that conversations that do not fall into one of these categories are better performed by telephone (or email) and, increasingly, this is what potential clients prefer.

Furthermore, if you think about it, each of the face-to-face conversations described in the two categories above will undoubtedly have been preceded by quite a number of non-face-to-face conversations. In the inside-out model described in this chapter, those preliminary conversations would either have been performed by an inside salesperson or by a business-development coordinator (or both), depending on the environment.

In summary, then, it's likely that a good percentage of your sales opportunities do not require field visits at all. And, of those that do, only a small percentage of the total conversations performed, will be performed in the field. Furthermore, of the total field visits required, it's likely that a good number of them do not involve true selling conversations (these are the visits that consist of on-site requirements discovery or product demonstrations).

Where the staffing of your sales function is concerned, this has two implications.

You need very few field representatives – and of the field representatives that you do need, most will be field specialists. Which, in turn means that it will be easier for you to justify spending the bigger dollars you will inevitably need to spend to attract the small number of capable

enterprise-class salespeople that you need in your few remaining business-development manager positions.

The other implication, of course, is that you need a larger inside sales team. The good news is that this enables you to exploit some economies of scale. A lively, fun inside-sales environment will be a lot more appealing to a broader range of candidates than a rolodex and a rental car. Additionally, a larger team of (co-located) individuals will be much easier to manage and, consequently, may even enable you to justify the addition of a high-powered inside-sales supervisor (which can have an enormous impact on team performance).

WHO ARE THESE INSIDE SALESPEOPLE?

Let me start by stressing who these inside salespeople are NOT.

Your inside-sales team members are not telemarketers (in the traditional sense of the word). They are true salespeople: equivalent, in every sense, to the type of person who you would otherwise have in the field.

They are knowledgeable, ambitious and engaging. And, they are paid roughly what they would expect to earn if they were field salespeople.

And, importantly, your inside-sales team members are not second-class citizens, relative to your field specialists. Your inside sales team, if your organization is typical, is your primary sales team and it's vital that this is reflected in your cultural norms.

As hinted above, this shift in focus to inside salespeople will give you more degrees of freedom when it comes to attracting talent. You can attract capable people (perhaps from a technical background) who would simply not be interested in operating in the field. What's more, because

you have team members operating in close proximity to one another, it's easier for you to introduce less experienced candidates – meaning that you can employ younger team members or recruit people from outside your specific industry.

This chapter completes your understanding of what we call our standard model.

This model is a blend of customer service, inside sales (supported by the campaign coordinator and field specialists) and business development (supported by project leaders).

In Chapter 6 we'll talk about alternative models, and provide insight into how to apply the four key principles to design applications of SPE for different environments.

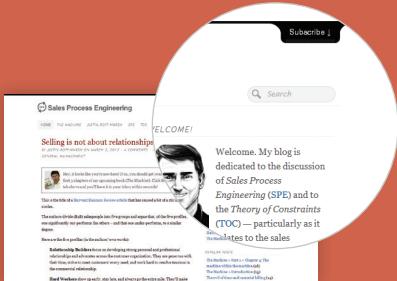
But first, it's time to reflect on the integration between sales and the rest of the organization.

THE MACHINE

A radical approach to the design of the sales function

BONUS CHAPTER: *The death of field sales*

© 2015 Ballistix



If you'd like to read more of *The Machine*, be sure to subscribe to Justin's blog. There are more chapters for you to read right now and you'll receive the rest in your inbox as Justin completes them.

www.salesprocessengineering.net

Justin Roff-Marsh

Founder: Ballistix

www.salesprocessengineering.net