

SO, YOU THINK YOU'RE **BUSY?**

RICHARD HIGHAM and ALAN TIMOTHY consider sales activity in their latest feature on data-led insights to help achieve impressive sales growth

“Only 50% of small companies, and 70% of larger firms, measure the number of calls per period”

THE POSITION

We all recognise time is at a premium. Just think of the answer you often get when you ask someone how they are – “really busy”. In this article we look at the part activity plays in achieving the sales result.

Previously, we cited a typical figure of 44% of salespeople being under 80% of quota, for a salesforce of 350. We also stressed three levers that sales managers can pull to improve performance:

- Activity: are salespeople doing enough...
- Concentration of focus: ...of the right things, with the right people, in the right customers...
- Effectiveness: ...in the right way?

Together, these three levers provide sales managers with the “ACE” in winning the sales game. Here, we explore questions and answers about the part activity has to play in achieving the desired sales result.

In *Sales & Sales Management*, David Jobber and Geoff Lancaster cite research that indicates only 50% of small companies (turnover less than £3m), and 70% of larger firms, measure the number of calls per period. (The “A” of ACE).

For concentration of focus (the “C” of ACE), 15% of smaller and 37% of larger businesses measure calls per customer. 56% and 54% measure the number of calls to prospects, while 55% and 62% measure calls on existing accounts.

In looking at effectiveness (the “E” of ACE), 28% of smaller companies and 33% of larger companies measure prospecting success ratio.

Interestingly (and somewhat alarmingly), only 21% and 31% know the cost of a sales call.

This article focuses on understanding the actual and required levels of activity and finding ways to get activity levels to the optimum.

THE PROBLEM

Let’s look at some of the problems that stem from not getting the activity levels right.

Not enough or too much?

Here is a selection of very different examples:

- A privately-owned business we worked with in the construction sector had grown impressively over the years from a £20m to a £200m company. The key account managers were measured on two metrics that had served the business well in the past: top line sales; and miles driven/customers visited per week. The target number of visits per week was 15. No one knew where this figure had come from, but it was embedded in the culture as a KPI. But when we analysed the actual call rate it was 25. The team of 20 seemed to be over-visiting to the tune of 200 visits a week. At an average costs of a UK sales visit of £120 (as analysed by iSnapshot on the basis of 21 million sales visits) that would mean an overspend of £24,000 a week, or a massive £1.25m a year. The company needed to know whether 15 or 25 calls a week (or another number) was the right activity level to achieve the desired result.

- At the annual conference of a professional services firm, we got permission to correlate the number of calls with the sales results of the team. The “top performer” made over 300 visits and generated 3,200 hours of fee-earning work. The lowest performer only made 40 visits (yes, in the year!) and generated about 1,000 hours. His argument that he was more effective “hour by hour” did not really impress! Interestingly, the second-best performer generated 2,800 billable hours from just under 150 selling visits. There was some debate about the optimum number of calls per week. Although the top performer was setting a really great example of sales, their high number of calls may not have been the optimum level of activity. Sadly, he was taken seriously ill that year and is no longer with the company.

- The third example is an employee benefits consultancy that set up a division to provide services to SMEs. In its model, the consultants would combine selling with their professional work. When we worked on the sales effort needed to generate the growth demanded by the business, it was clear that each consultant needed to make three visits a ➤



week, but there was only time in their diaries for one or, at most, two. Despite this clear mismatch of time and resource, the business decided to press on in the hope that something would work out. It never did and they pulled the project a few months later.

On a more flippant note, the correlation between activity and result was clearly illustrated to me on a visit to the branch office of an insurance client. I asked who the guy sitting in the corner was. He always seemed to be present at his screen in the consultants' room. "Oh him!" said the branch manager. "We call him the 'pilot light' because he never goes out!"

How does it happen?

Too busy to sell

While many businesses have invested in people whose only job it is to sell, many also have part-time sellers. Maybe they have to deliver the service they sell (the "hunt, kill, eat" model), or perhaps they are tasked with semi-sales-related tasks from merchandising to fire-fighting to compliance.

It seems to be an inevitable aspect of the part-time seller's life that active selling time gets pushed out by the other requirements of the job. Some of this is unavoidable but some involves "displacement activity", where doing almost anything else seems more attractive than getting out selling!

One of the consequences of this in many businesses is "feast and famine". When the business is doing well there is no time to sell. When the taps turn off it is often too late to replace the missing business. That's why it's so important to maintain a constant stream of business development activity.

Time stealers

There are multiple pieces of research available on the time salespeople spend actually selling. A recent piece I saw put it at about 33% of the time. Our own research with one major telecoms business revealed a figure of 17%, when "active selling time" was defined as "being face-to-face or online with a customer in a pre-arranged meeting focused on growing revenue." Certainly, there is a correlation between activity and results. Typically, top performers carry out twice as many sales visits as bottom performers. Using iSnapshot data, it is possible to quantify the differential and pinpoint success indicators.

In a recent piece of work with an inside sales team, we measured the top 10% (in terms of revenue/margin) against the bottom 10%. Average call length for the top 10% (ie. time spent actively selling to customers) was over four minutes, while for the bottom 10% it was under one minute.

Inefficient planning

A London-based team of corporate health plan consultants made a radical improvement in sales

results by replanning their time for regional selling. They reprofiled their client base and reallocated clients that were more than two hours travel away into regional hubs. These regional relationships had comprised only 15% of their business, but were taking up over 30% of travel time. By replanning selling journeys, each consultant gained time for an extra five visits a month. On the opposite page, we look at two effective approaches to optimising sales travel in order to maximise sales activity.

Reluctance to sell

We can get everything right as far as the mechanics of selling time management are concerned, but one of the big problems is what sales profiling tool SPQ Gold describes as "reluctance to sell". This is often driven by fear of rejection, uncertainty about how to deal with people or problems, or low motivation driven by factors such as lack of belief in the possibility of hitting target, or a sense of unfairness. It is clear that when there is a low sales activity problem it is not all about coverage models and time management. A lot is also to do with frame of mind.

The impact of changing activity levels

There are many problems associated with sales activity levels. But one that should stand out to businesses is that spending less time selling will either reduce the result or demand that each sales contact is more productive. We worked with one sales team who were complaining about the pressure they were under to improve conversion ratios in a challenging market. We analysed their sales activity and were able to help them see that maybe the problem didn't lie in effectiveness but in activity. If they carried on at their current rate of eight calls a week they needed to generate £13,889 from every call. If they could increase their activity to 12 calls a week then generating £9,249 per call would enable them to hit target. We then worked together to increase activity.

POSSIBILITIES

So, what are the possibilities or options for lifting sales activity to the optimum levels? As a starting point, consider applying the following five key rules of time management:

PARKINSON: the more time you get to do a task, the more time you need to complete it
Action – allocate a "time budget" and a deadline to realise the task.

MURPHY: each task needs more time than originally foreseen

Action – calculate how much time is needed for each task in reality – and add a "security time margin".

CARLSON: completing several similar tasks at the

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same time is more efficient than doing them separately at different times.

Action – group together your similar tasks in the same “time boxes” as far as possible.

PARETO: 20% of our activity gives 80% of our results, but secondary activities often take up 80% of our time

Action – prioritise in line with the desired result.

EISENHOWER: “What is important is seldom urgent; what is urgent is seldom important.” (Quote attributed to President Dwight D Eisenhower)

Action – ensure you separate what is urgent from what is important.

Practical possibilities for increasing sales activity

Reduce admin time

For many sellers admin time eats up their Friday afternoon or intrudes into their personal and family time. The first clearly impacts on selling time. The second has other longer-term negative impacts.

Much can now be done to reduce admin time by using the right tools. Introhive reduces the internal follow up required after a client meeting, in businesses where there are multiple points of contact. ISnapshot sees an average increase in sales activity of 21% over the first quarter. This equates to the productivity of an extra salesperson for every five members of the team.

Rethink journey planning

Two of my favourite and well tried techniques are the “donut” and the “snake”. With the donut you plan a critically important visit that will involve going to a particular location, be it a trading estate on the other side of town or a city on the other side of the world. Having got the “jam” in the centre of the donut you then plan a series of less significant meetings around it. You might not have travelled just for these meetings, but the cost and time have already been applied to the core meeting, so these extra meetings are pretty much for free. With good planning it may not be too difficult to get three or four extra meetings into much the same time. Of course, it doesn’t always work out, but it’s worth planning and striving for.

The snake comes into use when you have a distance to drive to see a prospect or customer. Build a journey plan that allows you to make sales visits on the way there and/or on the way back. It may be a slightly snakier route and may involve some stop-offs, but it might turn one call into two or three – a significant impact on sales activity.

Time-box your sales activity

Much has been written about the inefficiencies of jumping from task to task. This applies to sales professionals as much as to other disciplines.

Try to block time. One highly effective seller I know used to make appointments on the run. She now figures out how many appointments she needs

for the coming period and allocates three blocks of time to make calls. The first is for the initial calls and the second two blocks are for follow-ups. She still has to make some random calls to catch people, but over 80% of her phoning is now in time boxes.

An entrepreneur with a very busy schedule applies this by working on the cadence of his week. Wherever possible he uses Mondays to work on the business (admin, finances, planning). He keeps Fridays for his creative work. He then allocates Tuesdays to Thursdays for selling time. Again, not every week works out according to this plan, but now at least half his weeks do.

There is good evidence that disciplined use of social selling has a significant impact on the sales result. One social selling convert we work with has decided that he will spend the first 45 minutes of his working day (he’s an early riser!) responding to posts, building his network and contributing to groups and individuals. He finds this blocked time increases efficiency and effectiveness.

Time-boxing may also mean ensuring that non-selling activities are removed from core selling time. One bank we worked with took this seriously by removing internal meetings from core selling time. It was not easy, but it made a big difference.

PROPOSAL

So, here’s a summary of suggestions to lift your own or your team’s activity to the optimum level:

- Understand what will have the greatest impact on your result. Is it a change of activity? Is it better concentration of focus? Is it improved effectiveness? One way to do this is to do the quick and free ACE diagnostic at www.saleslevers.com
- Think through what the optimum level of sales activity is for your role or your team. It’s not always about maxing this out (“drive faster, sleep shorter”) but your activity targets may have been imposed or inherited from a view of what good looks like that may not be relevant for today’s selling
- For sales teams, it may be necessary to consider your coverage model. Organisations like SalesGlobe and SalesLevers can be of real help here
- Analyse what the benefits would be of increasing your sales activity to this level
- Identify what can be removed or reduced to create more space for selling. Never forget the principle of displacement – in order to do more of one thing you probably need to do less of something else. Time is not infinitely elastic
- Think about “reluctance to sell”. What are the emotional and psychological barriers to increasing your or your team’s sales activity?

PLAN

Set time aside over the next month to work on this. If you lead a sales team or division, then build in time to an upcoming sales meeting or conference.