



FRONTIER ASSOCIATES, INC.
MANAGEMENT CONSULTANTS

Case Study #8 The Case of the Stagnant Sales

The Situation: Stagnant Sales and High Costs

Practical Consulting, Inc.¹ had some major problems. For many years sales had been stagnant at an unacceptably low level, and were not even close to supporting the significant growth in size and geographic coverage to which the company was committed. In addition, the costs associated with sales were orders of magnitude higher than expected, thus having a major impact on profitability. Despite having a significant price advantage compared to most of its competitors, only one out of every four proposals resulted in a contract. Even those that did close were taking 7-9 months from first contact to contract signing, often requiring multiple revisions of the proposal and a large number of sales meetings.

The company focused on providing practical, hands-on, engineering consulting to small² manufacturing firms. Typically the decision makers for Practical's services were the company owner and founder, who generally knew their company's operation extremely well and to a fine level of detail. Practical believed that such prospects selected engineering consulting firms based on their evaluation of the knowledge and skill of the consultant. Thus, Practical's salespeople were the engineers who also delivered the consulting. The technical competence of these consultant engineers had been reliably determined to be very high. The sales training that had been conducted had not made any difference in the sales totals or effectiveness.

The Goals: Increase Sales and Reduce Costs

Practical's sales manager engaged Frontier Associates (FAI) to help accomplish the following goals, *using the existing sales force of consulting engineers*:

- Produce a significant and sustainable growth in sales.
- Reduce the cost of each sale.

¹ Names have been changed to preserve anonymity.

² "Small" was defined as a firm with no more than 500 employees.



Our Analysis: The Salespeople were Thinking as Engineers

The engineering salespeople were selling as engineers rather than as effective salespeople. That is, even though sales was part of their job, they still fundamentally considered themselves engineers who were selling expert knowledge. Thus, they approached each sales situation as an engineering problem to be solved. For example, their initial focus was to gather data and understand the problem. Then they proposed “the correct solution” to the customer. Because they considered themselves “the experts”, there was resentment and frustration when the customer did not immediately accept what (to the engineer) was the obviously right approach.³

The engineer salespeople needed to see sales differently.⁴ Currently they saw sales as a process where the engineer, by themselves, solved an engineering problem. Instead they needed to see sales as a process in partnership with the prospect, one based on relationship and shared expertise. They also needed to be trained in and coached in practical skills to support this new view.

The FAI Solution: Train the Salesforce in Conversational Sales[®]

FAI conducted a Conversational Sales[®] Training Program for all of Practical’s salespeople, consisting of five morning sessions on the principles of Conversational Sales[®], followed by afternoon sessions of practical exercises, during which the FAI consultant would often accompany them on a real sales call.

To provoke their interest and participation, two promises were made the first day: By the end of the Program, if they fully participated,

- They would be dramatically more effective as salespeople.
- They would consider sales fun.

Of the two promises, there was general disbelief by the participants that the “fun” promise could ever be kept. Since this promise was so outrageous to them, almost all fully participated, just to see what would happen.

³ In one situation, the customer had decided to hire Practical to implement some, but not all, of the engineer salesperson’s recommendations. During a sales call the salesperson emphatically told the customer that they didn’t just understand the situation and needed to hire Practical to implement all of the salesperson’s recommendations, while literally pointing their finger at the customer and pounding the table for emphasis. As a result, the entire engagement was lost.

⁴ Seeing a situation from a new perspective is often called a *paradigm shift*.



A common perspective of sales is that it is a contest between prospect and salesperson, the object of which is to get the prospect to do something they don't already want to do.⁵ In contrast, Conversational Sales[®] is based on a view that sales is a conversation, and that the purpose of the conversation is to serve the customer. That is, if the salesperson believes in their product, and wants to serve the customer (a natural human trait), then it is in the customer's best interest (assuming no evidence to the contrary) to purchase the salesperson's product or service as soon as possible. Using the conversational skills taught in the course, a sales call is a collaborative exercise to determine what will best serve the customer.

The Results: A Dramatic Increase in Sales and Decrease in Cost

Within two months after the completion of the first course, sales began to significantly increase, a trend which continued for many years thereafter. The closing ratio increased from 25% to 75%. Lead times dropped from 7-9 months to 2-4 months. On average, one version of the written proposal was sufficient to close a sale instead of multiple revisions.

Most significantly, almost all course participants reported that (much to their surprise), the sales process was now relaxing and fun, and they felt competent and skilled at it.

Summary

Sales techniques taught inside a view of sales as a contest often do not result in a dramatic improvement. This view has sales be experienced as an unpleasant experience for both salesperson and prospect, particularly when the salesperson does not consider sales his or her primary vocation. By changing the view of sales to a *conversation to serve the customer*, and teaching techniques that are supportive of that view, major improvements in sales efficiency, closures, and revenue can be realized.

⁵ If the prospect already wanted to do what the salesperson wanted, then it would be "order-taking", not sales.