

CHAPTER **1**

Why Salespeople Fail

One of the questions I hear most often from corporate executives and salespeople is, “Why do salespeople fail?” Generally speaking, salespeople fail because they lack desire, commitment, selling skills, and/or training.

LACK OF DESIRE

A strong desire to succeed is a prerequisite for success in sales. Professional selling is a tough occupation. On most days, a salesperson will hear the word *no* more often than *yes*. At the beginning of a sales career or when changing jobs, each salesperson spends a huge amount of time prospecting for leads. In spite of the hard work that’s required up front, sales can also be a tremendously rewarding and lucrative ca-

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reer—if you begin with a sincere, heartfelt desire to succeed. You must have a passion to make those sales. This desire can't be faked, but it *can* be fed. If the initial spark is present, training and encouragement will help it grow.

Many of us enjoy certain aspects of sales: signing a contract with a tough client; the completion of a long-term sale; earning a good commission; and having a significant amount of freedom and control over how we spend our time. On the flip side, salespeople work long hours with no guaranteed income and face rejection, competition, stress, sales quotas, and many other issues on a daily basis.

Desire is the *need* to accomplish the goal of selling a product or service. One of the definitions of desire is “the feeling that accompanies an unsatisfied state.” Without the accomplishments of selling, the salesperson feels unfulfilled. The successful salesperson has an emotional need to be fed the fruits of sales success.

LACK OF COMMITMENT

Unfortunately, desire alone doesn't ensure success. I've talked with many former salespeople who wanted to succeed, viewed sales as a noble and honorable profession, and had a strong desire to make a significant income. Yet they failed because they lacked commitment. They weren't willing to take the punishment of being rejected more often than not; they weren't willing to put in the time required; they weren't willing to invest in themselves and learn the profession; and they weren't willing to take the advice, constructive criticism, and guidance of their peers, managers, and prospects who chose not to purchase.

Lack of Commitment

Desire is the *want* or *need to succeed*, while commitment is the *determination* and *willingness to do whatever is needed* to achieve success. Selling is a demanding occupation. Most professional sales positions require more than 40 hours per week. Generally, a salesperson can expect to work longer and harder than anyone else in his or her company. Clients don't necessarily need you when it's convenient—they need you when they need you. And that can be any time—day, night, weekends, holidays, or during your vacation.

As previously mentioned, selling requires the commitment to work through a number of activities most salespeople find difficult and even distasteful. The sales process must begin with a prospect to sell to—and prospecting is the single biggest commitment killer in sales. More than any other factor, lack of commitment to work through the initial failure and frustration of prospecting drives people out of sales. Although it's a cliché, the sales profession truly is a numbers game, and the successful salesperson needs to keep a constant flow of prospects in the pipeline. Most people who don't make it in sales fail because they lack the commitment and persistence to consistently initiate the beginning of the sales process—finding someone to sell to.

Salespeople have a number of prospecting methods at their disposal—cold-calling; buying and working leads; paying for mass direct-marketing campaigns; purchased advertising; networking; and, for a few, generating referrals from existing clients and prospects.

Cold-calling is a time-honored method, and also the most difficult form of prospecting. Picking up a phone and calling a complete stranger who will most likely say “no” is the most terrifying and discouraging part of selling. And we get to do it over and over, every day, until we build our businesses. Whether the sales are business-to-

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Referral Generation Tip

Price Doesn't Have to Be King: If price is a hindrance to your selling success, you must begin to develop a large number of quality referrals. Referral selling is the only consistent prospecting method that eliminates price as a primary factor in the sale.

business or direct to the public, cold-calling flushes more people from the ranks of sales than any other single aspect of the profession.

Close behind cold-calling is working sales leads. Despite what most lead supply companies claim, sales leads are virtually the same as cold-calling, even though the prospect indicated some level of interest in the product. Unfortunately, other salespeople have already contacted many of these leads. Purchasing leads means you've taken one step forward in prospecting—you have reason to believe the person is interested in your product or service. You've also taken two steps back, because you know competitors will also come calling—and that will probably create a price issue.

Most new salespeople can't afford to create a marketing campaign through media advertising or direct mail. In a major market, a small newspaper display advertisement may cost well over a thousand dollars. Direct mail usually costs at least seventy-five cents per piece. Both marketing methods require long-term exposure to generate results. Consequently, the average salesperson would spend thousands of dollars before generating a single prospect—tens of thousands before generating enough prospects to stay in business.

Lack of Commitment

Another common prospecting method is networking through members of organizations, family, friends, and acquaintances. In many cases, this is where the salesperson finds his or her early customers and clients. It's a perfect place to start, but that's exactly what it is—a beginning. Most of us don't have enough contacts to generate major sales activity, although these early leads may sustain our businesses for a month or two. When your family and friends go into hiding, it's time to develop new leads!

A few salespeople are lucky enough to have their companies purchase leads, advertise, send out direct mail campaigns, and sell products and services, providing the salesperson with a few walk-ins or call-ins. But even these setups have serious limitations. Leads purchased by companies are usually the same leads a salesperson would purchase him- or herself, and the company divides these leads among a number of salespeople. Even industries usually considered to be “walk-in,” such as furniture stores and automobile sales, tell new salespeople up front, “If you want to make money you can't rely on walk-ins alone.”

Other prospecting methods include trade shows, seminars, and conventions. These prospecting methods have the same problems and limitations as those outlined previously, and may require a fair amount of experience, sophistication, and expense on the part of the salesperson or company.

The sad fact is, over 85% of professional salespeople rely on one or more of these prospecting methods outlined for virtually all of their prospect-generating activity. In my referral selling seminars, I ask attendees to list their top five prospecting methods in descending order,

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from most productive to least productive. When the lists are ready, I ask them to write every sale they made in the past year and which method generated that prospect. Almost without fail, an amazing thing happens. When we read these initial prospecting method lists, nearly everyone in the room has placed referrals in position number two. In other words, my seminar attendees claim referrals are the second-best method they have for generating sales. But when they do the actual list of sales and what method generated that sale, referrals turn up in last place—if they make the list at all. I find a serious reality gap between how salespeople *believe* they obtain sales and how they *really* generate new sales.

Why the disconnect? Since every person is told within five minutes of entering a professional selling position that in order to stay in business he or she needs to generate referrals, and since sales managers expect salespeople to have referrals, and since most salespeople ask for the occasional referral and often get a name and a phone number or two, salespeople believe they're selling by referral. They believe because they're getting names and phone numbers, they must be getting referral business. Only when they actually see where their business is coming from do most recognize how little business they generate from referrals. Certainly, many get a referral sale or two here and there, but not nearly as many as they feel they're generating.

With over 85% of professional salespeople forced to dig on a daily basis for prospects to fill their pipeline, is it any wonder so many good people fail? Desire can only go so far. Commitment isn't easy to maintain when we face a lifetime of turning over every rock in the field to find a prospect. Most of us can only hear *no* so many times before our enthusiasm wanes and our prospecting activity slows to an eventual

Lack of a Good Selling Process

halt. And at that point, whether we recognize it at the time or not, we are out of business.

LACK OF A GOOD SELLING PROCESS

Strong desire and commitment won't prevent failure unless they're accompanied by a proven way to generate prospects and close business deals. The second most frustrating thing for salespeople is the feeling of being lost in the sales event itself. Most companies, from mom-and-pop firms to Fortune 100 companies, do a good job of training their sales force on product, but they do a poor job when it comes to teaching the sales force *how to sell*. The two issues aren't the same, although many companies treat them as such.

Selling is the *how* in the sales process—how to get in front of and sell a prospect. Product knowledge is the *why*—why we sell and why the customer buys. Every salesperson needs solid grounding in both of these areas. Companies tend to view the why of selling as the crucial area, and to a certain extent they're right. Selling skills are transferable from company to company, industry to industry. Product knowledge is usually specific to an industry and a particular company within that industry. Consequently, the product and how to sell that particular product tops the training list for most firms.

But every salesperson needs a process to generate a robust pipeline of prospects and turn those prospects into customers. That proven process should include a prospecting method, a sales method, and a follow-up method that consistently generates fresh prospects. These prospects are converted into customers who receive a purchasing experience beyond their expectations.

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A proven, reliable sales process will give you the confidence to tackle the most difficult client or the most demanding sales manager.

LACK OF TRAINING

Although desire and commitment are internally generated, a good selling process comes from training, and then adapting that training to your personality through trial and error. Lack of training is second only to a lack of commitment in flushing salespeople out of the business. Sales training is the foundation upon which product training should rest. Many companies assume their salespeople and the salespeople they hire already have a solid foundation in sales training. Salespeople who don't perform are simply written off as part of the 80% in the old 80/20 rule of selling: 80% of the sales force produces only 20% of the company's sales. Or, put another way, 80% of the company's sales are produced by only 20% of the sales force.

Studies show the top salespeople in any industry produce almost four times the sales volume of the average salesperson and 10 times the volume of the bottom dwellers. A survey of the top salespeople in your company would probably reveal a common denominator. All of them either received serious, in-depth sales training early in their careers through their company, or they've heavily invested in themselves by reading sales books, attending seminars, listening to sales tapes, and discussing with one another what works and what doesn't. Virtually every top salesperson spends a significant amount of time and money on personal training.

This doesn't let your company off the hook. Your employer should hire outside trainers to hold on-site seminars; top producers within

Lack of Training

the company should hold training sessions; and the company should send its sales force to seminars. You and the other salespeople in your company should insist on being correctly trained.

Furthermore, it's in the company's best interest to spend dollars and time to train its salespeople. Is it any surprise that most of the top talent work for, or came from, companies that spend a tremendous amount of money on sales and product training?

Whether you're beginning a sales career, haven't received sufficient training in the past, or you're a well-trained, seasoned professional, every salesperson needs continual updates on both sales and product. If your company doesn't provide sufficient training (and most do not), you can invest in yourself by reading the best books on selling, attending sales seminars, using audiotapes and CDs, hiring a sales coach from one of the hundreds of sales training companies, and acquiring a mentor.

No salesperson ever reaches the point where he or she no longer needs training. Every top-producing salesperson I've met takes this aspect of the job seriously and spends a great deal of time on personal training. On the other hand, inexperienced salespeople often use lack of training as an excuse to not sell: "I can't go out there yet—I'm not ready!"

On-the-job training makes it perfectly acceptable to begin selling *before* you have complete knowledge of the product or service. New salespeople can sell most products and services with only a basic amount of training. You don't need to have the answer for every possible question. Don't hide behind training because you're afraid of failure, and don't let training become a stumbling block that keeps you from doing your job.

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Sales failure is actually an important training tool. In fact, we probably learn more from failure than we learn from success. Even experienced salespeople fail. But fear of failure, which afflicts the salesperson who insists on complete training before entering the battlefield, is a self-fulfilling prophecy that guarantees failure through lack of activity.

For more information on how to handle rejection as you develop a referral business, how to find and hire a coach, and where to find additional sales training, go to the PWWR Referral Generation System web site: www.pwwrreferrals.com. For a discounted fee, you can take a professional sales assessment developed by Profiles International, one of the leading sales assessment companies in the world. Simply click on the “Sales Assessment” link. The results of this assessment will provide an overview of your selling strengths and weaknesses, plus solid suggestions you can use for self-coaching or in conjunction with a personal coach or mentor.

TAKING INVENTORY

Before we discuss how to develop a referral-generating relationship with your customers, let’s take inventory of where you stand in each of the four areas discussed so far. Please write your answers to the following questions in the spaces provided.

Desire:

Do you have a burning desire to succeed in sales?

Taking Inventory

If you could enter any field and do anything you wanted for a living, what would it be?

If selling isn't a key part of your previous answer, why?

Are you making the income you desire?

Are you making the income you envisioned when you entered sales?

Commitment:

If you do have the desire to succeed in sales, do you also have the commitment?

Do you have the mental and emotional toughness to continue, despite setbacks and disappointments?

How do you handle the frustration and feelings of failure brought on by being told "no"?

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The Process:

Do you have a proven, reliable selling process that takes you from prospecting to the final aspects of customer service? Can this process be replicated time after time?

What are your primary methods for generating new prospects?

Do you have a plan for moving your business to a new level?

Training:

Have you been thoroughly trained in selling (not product)?

How many hours per year do you invest in your career through reading, company training, attending seminars, listening to tapes, being mentored or coached, and analyzing what works and doesn't work in your sales process?

What sales books, by title, have you read in the last year?

Taking Inventory

What seminars have you attended?

What tapes have you listened to?

Have you hired a coach?

What steps are you willing to take to improve your sales performance?
