



The Case for a New Revenue Generation Model

Of all the questions I am most frequently asked, one stands out not only for its desperation, but also for its inherent naivety: “I have such bad luck selecting salespeople; they never work out (i.e. poor performance). How can I ensure that I’m getting a good one?”

My reply: “You’re asking the wrong question.”

The genesis of this question is not only the business leader’s struggle for short-term improved sales performance, but also for consistent, sustainable, profitable revenue growth (PRG). Business leaders intuitively focus their attention on the sales organization when revenue is down because, well, that’s where they believe sales are made – and why customers buy.

Unfortunately, they’re barking up the wrong tree. This long-standing paradigm, perpetuated by higher education, nationally recognized sales gurus, and sales management lineage, no longer applies. In fact, it was never the most effective way to achieve PRG.

And that is why, in the midst of clingy recessions, the top line revenue portion of the P&L rarely improves. And when it does – because even a blind squirrel finds a nut once in a while – it is almost always not sustainable.

The Problem, The Facts, and The Root Causes

The following facts are presented for your consideration:

- Engineering, Finance, Human Resources, Marketing, Operations, and other company department disciplines have evolved over the last one hundred years. Each looks and behaves vastly different than it did in the 20th century. How about Sales? Seeking the same traits and skill sets in new-hires, playing the numbers game, cold calling, figuring out how to sidestep the gatekeeper, self-centered sales processes, guesswork (and often unfair) quotas, time-sucking CRM systems ... the list is practically endless. Why hasn’t the Sales discipline evolved, save for some very progressive, successful companies?

- 86% of salespeople do not even achieve 90% of their annual sales goal, yet U.S. companies spend \$15 billion per year on sales training. That math just doesn't work.
- Does your revenue performance mirror the health of the economy? Does it ebb and flow in lockstep with the economic tide, or does it generally and consistently increase? If it ebbs and flows mirroring the economy, then how could anyone say that their salespeople are difference-makers? The economy is *never* an excuse for not growing – there are too many examples of companies winning big during economic downturns.
- How about margins? Are they weaker or stronger than previous years? If they're weaker, what statement does that make about how customers value your offering? Competing on price – meaning you're stuck in a world of Sameness – is the worst marketplace positioning a company can occupy.
- There are fewer than 80 colleges and universities in the U.S. that offer a degree in Sales. The vast majority of salespeople did not come from these schools. The vocation attracts the exact opposite of what is needed to succeed.
- How can salespeople leave their employer and take the firm's valued customers with them? What does that say about the value the company provides? If customers stay with you when their salesperson leaves, the degree of emotional attachment is strong. If they leave with the salesperson, then – in the customer's eyes – the company didn't have much to offer. The best value the company offered was the salesperson. Ouch.
- True or False: the highest employee churn – per capita – is within your company's sales organization, and the hardest positions to fill are sales jobs. If you answered 'true,' why do these things happen?
- Most salespeople are admittedly "1 through 4s." They spend far more time playing Order Taker (1), Customer Service Agent (2), Problem Resolution Hero (3), and Product Knowledge Technician (4) than actually doing what you want them to do: develop business and drive sales. Many will claim they're "consultants," when in actuality they're clueless as to the accurate definition of the word.

These statements and questions paint a much larger – and bleaker – scenario: With the deck stacked against the creation of a world-class sales organization (see above), how can a company win in the third millennium? How can substantial PRG be achieved?

The next time you ponder why so many companies struggle to grow, remember this: There is a Revenution™ in play – a world-wide revenue revolution – and understanding its construction, and how creative leaders are deploying its secrets, are the keys to unlocking what you desire most.

Hint: Strive to disrupt your industry by un-evening the competitive playing field. Do not leave the lifeblood of your company in the hands of hamstrung salespeople. Rather, create an organization that sells itself – one that customers are deeply, emotionally invested in. If they care, they'll buy.

A (much) Better Way

Dr. W. Edwards Deming, the American statistician who taught the Japanese everything they know about efficiency, Quality, and continuous process improvement, hit the nail right on the head when he said,

“The key to company success begins and ends with real leadership.”

Here are a few of the challenges business leaders face today that wreak havoc in their quest to drive PRG:

- Too busy working in the business vs. on the business. But even when they take time to work on the business, they're not really sure what to do to achieve optimum impact.
- Senior leadership may not have customer, sales, or marketing experience, and/or other company issues take priority.
- Very few read, and those that do are often not reading the secrets to The Revenution™ (Design Thinking, Disruption, Competitive Advantage, Collaboration, Articulation, etc.).
- No exposure to, or proficiency in, creating real Competitive Advantage. It is an area of acute study, not an intuitive feeling. This is one of the three primary components to creating sustainable PRG and hyper-growth.
- Many senior leaders are “Lefties,” meaning left-brain thinkers. That's great for the management of the business, but not for the critical *design* of it. And it is the design that puts all employees into a position to win and drives PRG. Therefore, right-brain (creative) thinking is required to win ... and it can (and must) be learned. Author Daniel Pink has this concept exactly right.
- Lazy management: “It's the sales force's job to drive revenue!” Oh boy ...

There is a new revenue growth Ecosystem in play, and it is alive and well. Understanding each component comprehensively, and organizing these components in the absolute order and steps that must be followed, is critical to success. Execute out of order, and you're doomed. Omit a step, and meet the same fate.

Sameness is the deadly business disease that has reached epidemic proportions. From product and service offerings to how leadership – and sales and marketing organizations – approach business development to websites to you name it, Sameness is killing off companies at record pace.

Your goal is strike the genuine chord with customers, and that is often an emotional component – yet one more area where many in top management are uncomfortable. You're not trying to be the best amongst your competitors! *You should strive to be the only ones who do what you do.* And that comes down to “how you do it,” not the product or service itself.

I leave you with this very important question, and you will see that it has nothing to do with traditional sales or salespeople. It has to do with leadership and intelligent business design:

What is the critical value you deliver *independent* of your core product or service?

Figure that out, and you'll not only need a bigger bank account, you'll need more time because of all the interviews you'll be doing on radio and TV.

In Closing

In the 2006 movie *Night At The Museum*, Ben Stiller's night watchman character engages in a face-slapping match with a small, wisecracking capuchin monkey. Robin Williams, playing the part of Teddy Roosevelt come-to-life, barks “Dear God, Man! Who's evolved? Who's evolved?”

I ask the same question of those of us responsible for PRG. When will we evolve?

Please join me on this nationwide crusade – The Revenution™ – because I think the time is NOW!

Sean Stormes is President and Chief Revenue Strategist of The Third Door™, and nationally syndicated columnist of Beyond Competitive Advantage in the American Cities Business Journals. He and his team of experts help companies optimize critical PRG components, often resulting in high double digit – or even triple digit – revenue increases within six months time.