

# The Disciplined Sales Force

by Robert L. Nellson

**H**igh performance companies often have common attributes that explain the reasons for their accomplishments.

As an example, four very different, but successful, sales organizations have particular characteristics that suggest a startling model for effective sales management:

- An insurance agency, serving the affluent market, that is growing at a rate of 30 percent per year, has staff compensation that is nearly double industry averages, and has agent retention into the fifth year of more than 80 percent.
- A large general market investment/insurance sales organization where representatives acquire three to four new customers a week and sell more than six products per customer (on average, more than two are insurance).
- An auto insurance direct marketing organization where close ratios are more than 50 percent above the industry average and customers routinely rate the experience as excellent.
- An annuity-focused sales force that more than doubles the industry average for sales per representative.

*Note: While the above organizations are real, their specific identities are withheld to protect client confidentiality.*

These four organizations share a common set of management principals that are reminiscent of the military "command and control" structure:

1. **Clear objectives** Each organization has well-defined goals and knows how to measure success. The five "Ws" (who, what, where, when, and why) are clearly spelled out. The "troops" do not question the objectives they are to attain. In every case, goals include an extraordinary level of personal sales productivity.
2. **Target knowledge** In general, these organizations have superb "intelligence" on their customers and prospects, and they use active, behavioral segmentation techniques to separate those customers logically and approach them in uniquely effective ways. One firm focuses on industry specialties; another uses wealth and income cuts; a third uses risk behavior, location, and age.
3. **Functional weapons** All four have competitive products and sales support tools for their particular customer sets. Customers who choose to comparison shop find these organizations have better quartile pricing (for products where pricing is important and for the type of sales process used) and strong features. Sales tools (such as profiling, planning, or risk measurement models) are uniformly strong.
4. **Recruiting and training** Each of these organizations has defined the ideal model for a recruit. ➤

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While different, they all include appropriate experience, a high energy level, good interpersonal skills, and receptivity to direction. These organizations do not see stars ("top guns") or individualists, but rather people who are likely to be solidly successful in the organization's sales model. Several of the training programs used are fashioned as "boot camps" which stress shedding bad habits, learning the rules, and practicing personal disciplines. These disciplines extend well beyond work habits into uniform (dress code), physical conditioning (in one case, strongly suggested daily workouts at a company-paid health center), and calendar disciplines. New recruits are routinely assigned mentors and sales managers to provide one-on-one counseling.

*Note: Individuals who have had senior military leadership experience manage several of these organizations.*

5. **Team play.** Individualized behavior is discouraged or even censured. Emphasis is placed on organizational (rather than individual) ownership of clients with dual calling, active compliance and quality follow up, and value-added company services used to make the relationship linkages shared with the organization, not just the sales person. With team dependency, sales staff tend to stay because taking customers when they leave is more difficult.
6. **"Troop" employment for value.** All of these organizations match staff skills to client needs. In particular, they do not use face-to-face representative contact when direct sales and service makes more sense.
7. **Discipline.** This is clearly the most notable differentiating characteristic. Standards for behavior and policies and procedures are extremely clear. There is little or no tolerance for deviant behavior. Different monitoring and control mechanisms are used, but all have a similar effect.

- **Activity monitoring.** Central time scheduling, dual calling, mandatory "call" reports, and computer monitoring are designed to disclose and track representatives' moves.
- **Effective reporting.** Activity information is routinely summarized, compared to standards, and reported to superiors.
- **Quick response.** Substandard behavior triggers remedial training. Deviant behavior draws a quick, clear response – usually termination.

The four organizations reviewed above have highly beneficial, self-reinforcing sales management systems that cannot be easily replicated. Sales management is a clear strategic advantage for each of them. It is anticipated that competitors will face considerable resistance in implementing a new sales management process because:

- Current sales and marketing managers may cling to old procedures.
- Local offices or branch managers may sense a threat to their independence.
- Individual representatives may not see the advantages of a new structure.

There are many sales management approaches that can be successful. DeHayes Consulting Group (DCG) is experienced in helping financial services companies select approaches that can be effective in their specific situations. DCG can help your bank understand and, if appropriate, implement a more structured or disciplined sales process.

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