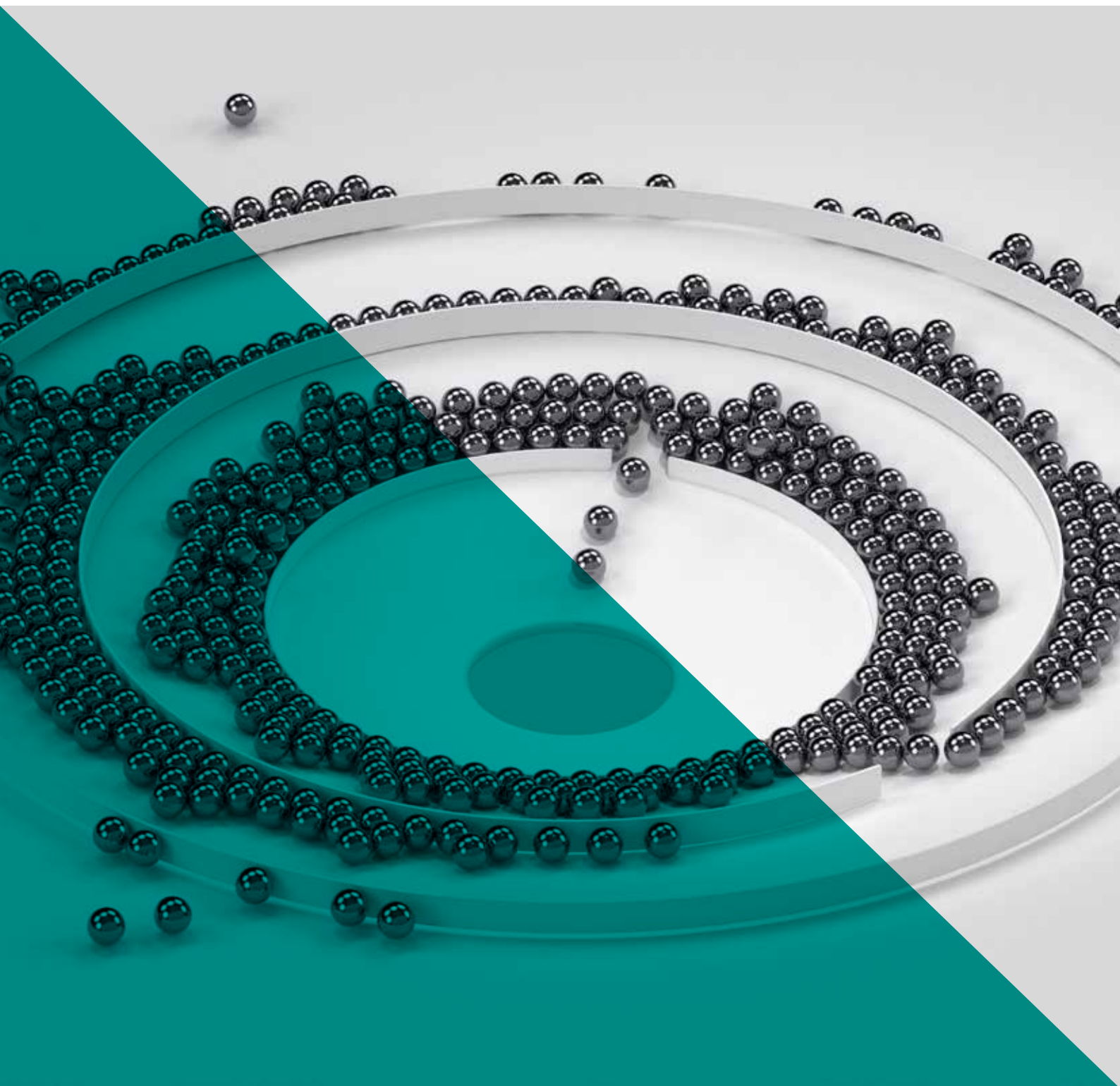
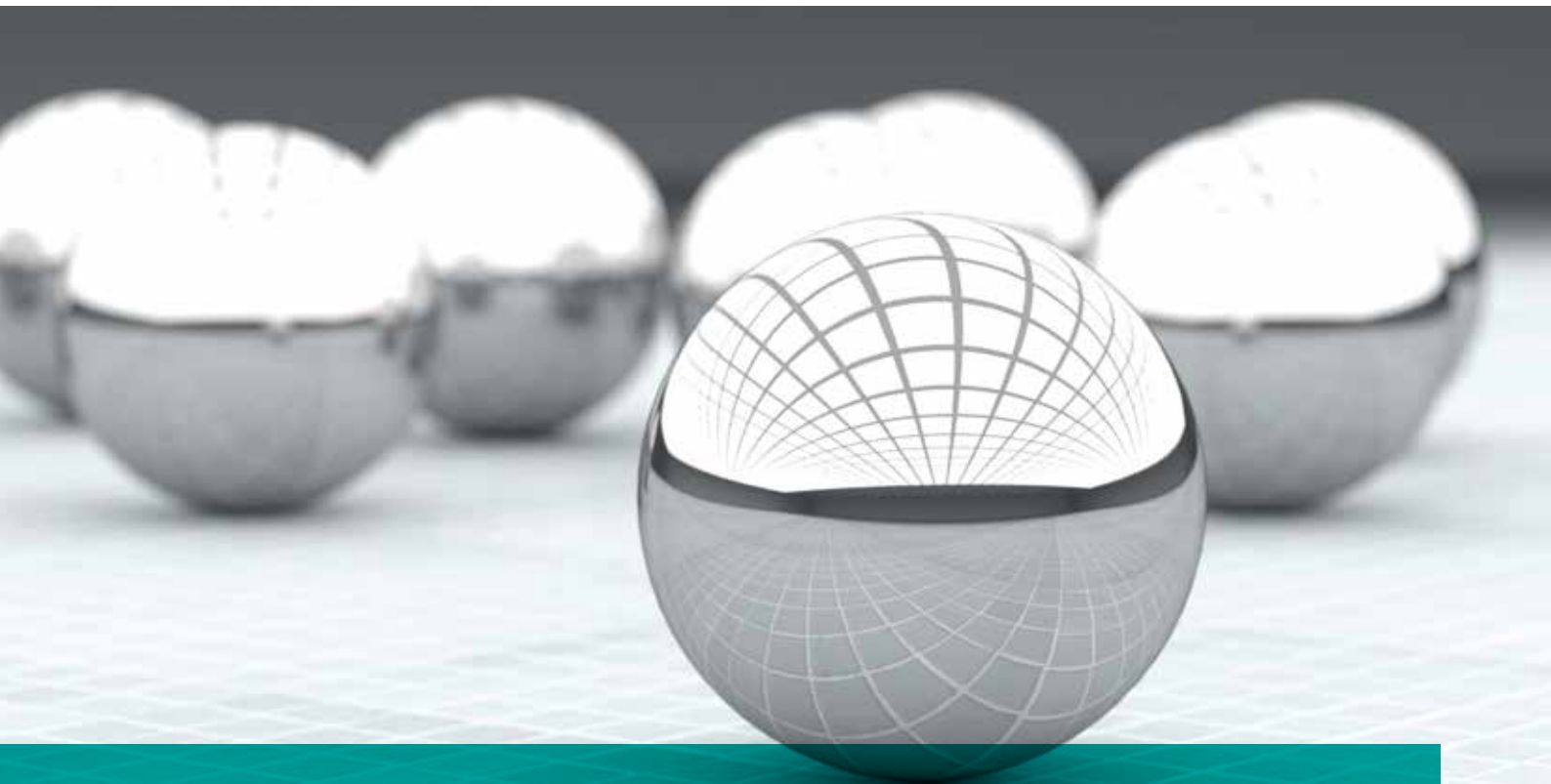




# Optimise your Sales Department for Performance

Performance Architects





**Sales are the lifeblood of every company.** A truism if ever there was one, but nonetheless...true.

Even a company with the best possible value proposition and a high rate of customer retention will ultimately wither away if it does not get sufficient new business.

As Philip Kotler puts it, "The sales department isn't the whole company, but the whole company better be the sales department."

Equally true is that when sales departments fail to produce the new sales that are required to maintain profitable growth, companies typically battle to find ways to get them back on track – and keep them there. The most common cure is usually sales training, and nine times out of 10, it does not work. The reason for this is quite simple: nobody understands what the problem with the sales department actually is. All too often sales training, while not a bad thing in itself, is insufficient to solve the problem.

This is not an easy issue to resolve, but it is vital that companies do so. The solution, I believe, is to begin with a proper diagnosis of what is wrong because that will define an effective solution. This approach is built on the experiences of my own company, LRMG.

LRMG is a performance optimisation company, which means everything it does is predicated on delivering results for its clients. However, some two years ago, after 19 years of existence, it was starting to become apparent that our sales pipeline had diminished. The problem was not with what we were delivering to our customers – those we had tended to stay with us. But we were failing to sign up

new business. Clearly, something was wrong with our sales function.

Realising that Kotler is right, and that an ineffective sales function compromises the whole company, we realised we had to approach the problem smartly.

The first thing we did right was resisting the temptation noted above: to implement training to “fix” the sales department.

## Rather, we knuckled down to examine the whole sales process and, crucially, how it integrated into the company as a whole.

Looking at the company through a process lens revealed exactly how the sales function interacted with, and depended on, other processes within the company. Specifically, it became clear that the sales process is dependent on the effectiveness of eight functions or levers in order to work optimally. These levers are Sales Leadership/Management, Engagement, Sales Culture, Sales Strategy, Process, People Capability, Performance Management and Digital Enablement. What’s important to understand is that these levers do not exist in isolation; they are interlinked with each other in a complex manner, creating

something that one might call an ecosystem that spans the entire company.

Once we understood how the sales process worked within the context of the company as a whole we were able to identify exactly where the most pressing issues lay, and what impacted them. Addressing the root causes for the underperformance of our sales team could then begin, and the turnaround was nothing short of dramatic. Just one example: our office in Kenya increased its acquisition of new clients by 800 percent within the year. No new sales staff had to be employed to achieve this, as would previously have been the case; in essence, what we did was make the existing sales team more effective.

The latter point is an important one because it goes to the heart of what we believe is the value proposition of this new approach. It means that the existing sales team does not have to be either reduced (with an inevitable loss of institutional memory and a reduction in morale) or augmented (thus adding to overhead); it is fine-tuned and given the support it needs to perform well.

This ability to enhance the performance capability of existing resources is very valuable – particularly so in tough economic times when cost reduction is often

seen as the only way to survive. By making the sales team more effective, it is unnecessary to retrench sales people to maintain profitability; rather than risk cutting muscle, the company can turn fat into muscle, so to speak, and effectively sell its way out of trouble.

Another key advantage of this approach is that having diagnosed the root cause of sales underperformance, a company knows where to begin. But equally powerful is the understanding that sales performance is a product of the functioning of all eight levers. Over time, then, it is possible to make incremental improvements in each of them, thus boosting the overall performance of the sales function. This is essentially the ability to embark on an ongoing, sustainable fine-tuning exercise that can be achieved with minimal disruption and will enhance performance continuously.

Having validated this new approach to sales optimisation, and seen at first hand how successful it is, we felt it was something we could take to clients. The market has grown tired of point solutions, like sales training, that cannot be measured properly; the smart approach based on diagnosing the root causes of failure and then fixing them strikes a real chord. More important, it delivers results.

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**Philip Kotler**




## Author

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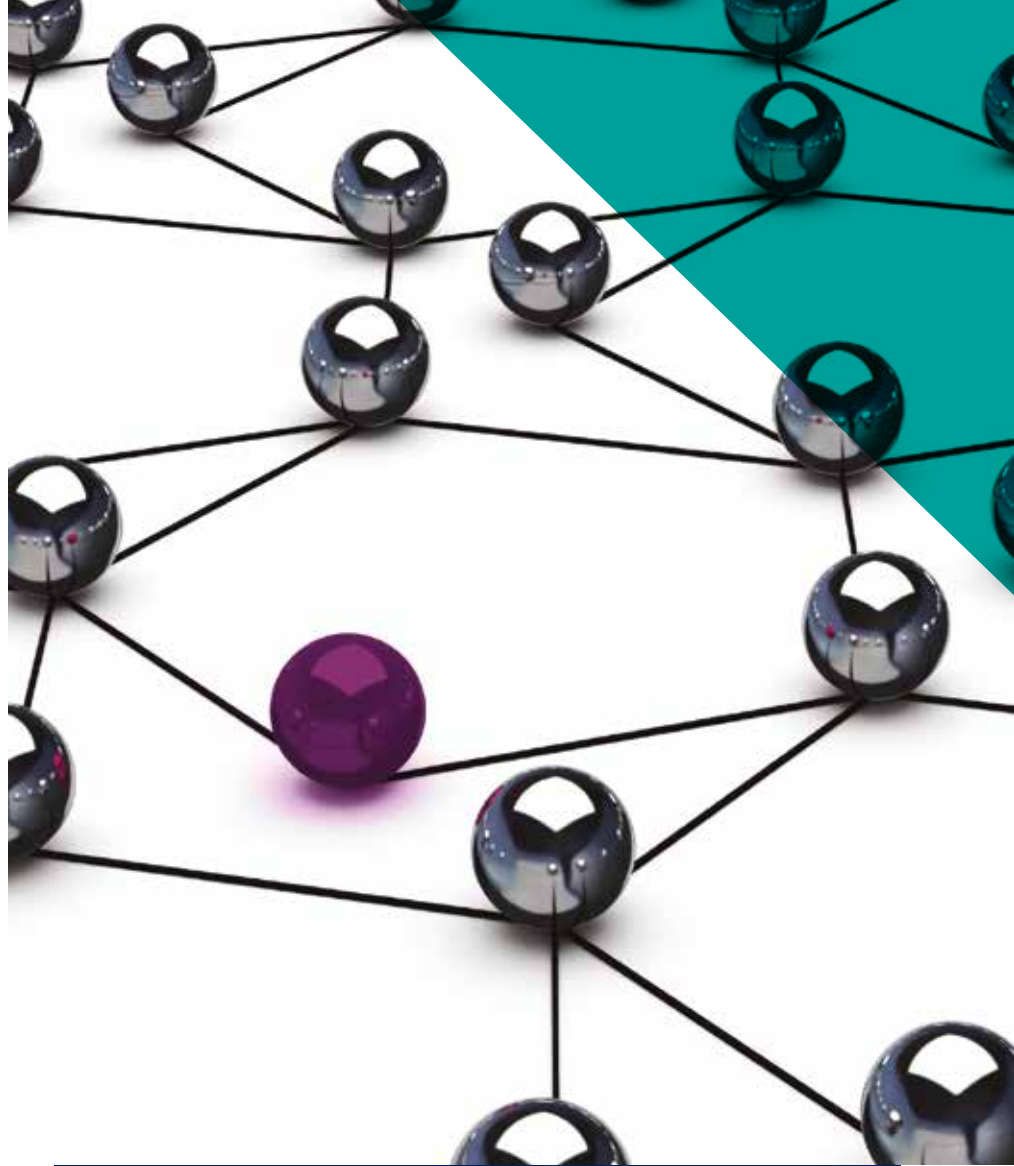
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Michael Franks is a partner and managing executive at LRMG in Johannesburg. In his capacity as LRMG Sales Optimisation Lead he helps companies identify and diagnose barriers to sales performance, and architect smart, relevant, targeted solutions to drive sustainable improvement and bottom-line growth. He has held various positions in business optimisation and more specifically sales performance over the last 15 years, designing sales performance solutions for local and international blue chips companies. Past positions include Business Development Director with the London School of Business and Finance, Managing Director of The WOW Group and Human Capital Lead at Accenture Strategy, before joining LRMG in July 2015. Michael holds a Bachelor of Commerce Degree (Hons.) in Business Economics from The University of the Witwatersrand and has completed The Executive Leadership Programme at Wits Business School.



## About LRMG

LRMG aligns people and environments to optimal performance through a unique understanding of the connected mechanisms and contexts that drive positive people and organisational outcomes. It has been delivering performance solutions that result in a measurable impact since 1997, and its solutions continue to evolve to address the skills and capabilities its clients will need tomorrow. LRMG has offices in Johannesburg, Cape Town, Kenya and Mauritius and representation in another 18 African territories.

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