

UNDERSTANDING AND APPLYING THE SALES STRATEGY INDEX

The Sales Strategy Index (SSI) is an objective analysis of an individual's understanding of their strategies to sell successfully. It essentially answers the question, "Can this person sell?" Like any profession, selling has a body of knowledge related to its successful execution. It is this knowledge that the SSI measures.

Knowledge of the sales process and successful strategy is only one component that leads to sales success. Sales behavior, attitude, personal interests, product knowledge and more are all part of the picture.

With the information provided by the SSI, an organization can internally validate how a solid understanding of the sales process can lead to success.

DEVELOPMENT HISTORY

The Sales Strategy Index was developed and formed over a two year period. The first phase of development was to identify current sales situations that would provide a basis for measuring sales knowledge in each segment of the sales process. Initially 64 situations were identified and tested with over 600 salespeople. The results from the initial study eliminated any inferior questions and led to the development of the final version which has 54 questions. The final 54 questions were then validated and normed with over 2,000 salespeople.

Each of the 54 questions has four correct answers. The answers vary only on the degree of correctness. Many times there is a fine line between the most effective strategy and the second most effective strategy.

The final 54 questions were submitted to sales managers and sales trainers for their final evaluation. No objections were raised by either group. In fact, sales trainers from England, Scotland, Germany, France, Spain, Sweden and Finland all acknowledged the application for their respective countries.

The SSI was developed for outside, or professional salespeople, where knowledge of the sales process is critical to sales success. The SSI can be used with all types of salespeople, but may not be cost-effective for hourly salespeople.

Salespeople in the following industries were used to validate and norm the final version of the SSI: office machines, medical supplies, life insurance, health insurance, real estate, automotive, trucks and other miscellaneous products that are sold by professional salespeople.

The SSI identifies sales knowledge in the following categories:

- Prospecting:** The first step of any sales system. It is the phase of the sale where prospects are identified, detailed background information is gathered, the physical activity of traditional prospecting is coordinated and an overall strategy for face-to-face selling is developed.
- First Impressions/Greeting:** The first face-to-face interaction between a prospect and the salesperson. This step is designed to enable the salesperson to display his or her sincere interest in the prospect, and to gain positive acceptance and to develop a sense of mutual respect and rapport. It is the first phase of face-to-face trust building and sets the selling process in motion.
- Qualifying/Questions:** The questioning and detailed needs analysis phase of the face-to-face sale. This step of selling enables the salesperson to discover what the prospect will buy, when they will buy and under what conditions they will buy. It is allowing the prospect to identify and verbalize their level of interest and specific detailed needs in the product or service the salesperson is offering.

- Demonstration:** In this step, the salesperson should present his or her product in such a way that it fulfills the stated or implied needs or intentions of the prospect as identified and verbalized in the Qualification step.
- Influence:** What people believe enough, they act upon. This step is designed to enable the salesperson to build value and overcome the tendency that many prospects have of placing little belief or trust in what is told to them. It is this phase of the sale that solidifies the prospect's belief in the supplier, product or service and salesperson.
- Close:** The final phase of any selling system. This step encompasses asking the prospect to buy, dealing with objections, handling any necessary negotiation and completing the transaction to mutual satisfaction.
- General:** This area represents an overall understanding of the sales process. Knowledge of the process can lead to a positive attitude toward sales and a commitment to the individual sales steps.

RESEARCH REVEALS VERY IMPORTANT FACTS

The first thing that jumped out of the research was that top performing salespeople (\$50,000 and up) have higher overall scores than salespeople making under \$20,000.

Another significant observation was that knowledge of prospecting was directly related to income. Top performers had a much better understanding of the prospecting process than those whose performance (based on income) was in the lower income brackets. Conclusion: Spending too much time with unqualified prospects is directly related to income potential for salespeople whose compensation is even partially production based.

DO THEY WALK THEIR TALK?

Having knowledge but not using it can lead to poor performance. Sales managers cannot be on every sales call. Consequently, there is a clear need to discuss each incorrectly answered question with the individual salespeople and to gain their commitment to practice good sales strategies.

SELF-EVALUATION

Research indicates most salespeople want to know how they compare against the best. The SSI provides this information and provides insights on what to do if you need improvement in any area.

TEST ADMINISTRATION

For best results follow these simple rules:

- Provide quiet, well lit area to complete the SSI
- Take the complete SSI at one sitting
- Allow 30-40 minutes to complete
- Rank order from best to worst on each question/situation
- Have the person being assessed maintain focus on how they actually would deal with each situation in the field.

EEOC

In the historic March 8th U.S. Supreme Court decision regarding the Civil Rights Act of 1964 Justice Burger stated, “Nothing in the Act precludes the use of testing or measuring procedures; obviously they are useful.” What Congress has forbidden is giving these devices and mechanisms controlling force unless they are demonstrably a reasonable measure of job performance. Congress has not commanded that the less qualified be preferred over the better qualified simply because of minority origins. Far from disparaging job qualifications as such, Congress has made such qualifications the controlling factor, so that race, religion nationality and sex become irrelevant. What Congress has commanded is that any tests used must measure the person for the job and not the person in the abstract. Testing obviously will continue, as indeed it should.

VALIDATION

Validation for purposes of EEO law is the technical process whereby the employer defends the use of a selection device, or standard, that demonstrates a very close relationship between performance against the standard and performance on the job.

No company can use any selection device, or standard, that has an adverse impact on the protected group. The protected group is usually a minority person, a female, or a person over the age of forty, but it can be anyone.

The EEO legislation was aimed at employers who administered tests that are not job related or discriminated against the protected group. For example, giving a math test to keep someone from being hired as a police officer was deemed not job related and therefore illegal.

The Sales Strategy Index is job related for salespeople. It has been established over the years that sales training will increase sales. The Sales Strategy Index measures a person’s knowledge of sales situations and how to respond or react to the situation.

Over 1,100 salespeople were tested with the SSI and they showed a distinct difference in the sales knowledge of people making under \$20,000 when compared to salespeople making over \$50,000. (See table 1.)

Table 1

	P	F	Q	D	I	C	G	TOTAL
N=161 Top Performers	46	54	45	60	65	66	53	56
N=127 Under 20,000	39	45	37	53	62	60	47	49

An employer can use a tool such as the SSI in their selection process if they can clearly demonstrate that there is a strong relationship between sales knowledge and sales performance. Without this being used in the selection process their sales training expenses and failure rate would be cost prohibitive.

The SSI can be used as part of the selection process with the appropriate weight given to sales knowledge. Using the SSI as 100% of the reason to hire or not hire would not be recommended. Unless the business has completed a satisfied analysis and documentation the training cost of failure rate would be cost prohibitive.

An application of 10% of the hiring decision information gained from the SSI could be defended. If skills always led to success then all nurses, doctors, CPS’s and attorneys would be successful.

The fact that all of these people are not successful indicates that knowledge or skills in a particular area doesn’t always lead to success.

A person may know everything there is to know about sales, but lack the initiative to make a sales call. Attitude, beliefs, values and behavior may be easier to validate in some sales positions.

CONCURRENT VALIDATION

This is the method of comparing scores of current salespeople with their performance. If current top performing salespeople in an organization received high scores and low performers received low scores it would constitute validation. Concurrent validation is required for any company wishing to use SSI as a part of their selection system. The point is that other factors may be more important than skills alone.

PREDICTIVE VALIDATION

Predictive validation initially ignores SSI scores of new salespeople, but later compares those scores with performance. This method takes time to gather the data and will not work if the salespeople are given sales training. This method is by far too costly as we must experience failure in the marketplace to prove our point.

CONSTRUCT VALIDATION

Construct validation is theoretical and relates various attributes to test scores through evidence, argument and judgment. The first question is the most important. Does the SSI measure sales skills and are the 54 sales situations related to current sales environment? Over 600 salespeople and sales managers were sampled to validate construct validity. This resulted in ten questions being eliminated from the original 64 questions. Also, the correct answers (rating) were validated from this group. Then another 500 salespeople were evaluated to collect and validate new norms.

PROTECTED GROUP VALIDATION

The Equal Employment Opportunity Commission (EEOC), an agency of the federal government issued the Uniform Guidelines on Employee Selection Procedures in 1966. These guidelines were issued to serve as a guide for applying the four-fifths rule.

ADVERSE IMPACT AND THE “FOUR-FIFTHS RULE”

A selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5) (or eighty percent) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact while a greater than four-fifths rate will generally not be regarded by Federal enforcement agencies as evidence of adverse impact. Smaller differences in selection rate may nevertheless constitute adverse impact, where they are significant in both statistical and practical terms or where a user's actions have discouraged applicants disproportionately on grounds of race, sex or ethnic group. Greater differences in selection rate may not constitute adverse impact where the differences are based on small numbers and are not statistically significant, or where special recruiting or other programs cause the pool of minority or female candidates to be atypical of the normal pool of applicants from that group. Where the user's evidence concerning the impact of a selection procedure indicates adverse impact, but is based upon numbers which are too small to be reliable, evidence concerning the impact of the procedure over a longer period of time and/or evidence concerning the impact which the selection procedure had when used in the same manner in similar circumstances elsewhere may be considered in determining adverse impact. Where the user has not maintained data on adverse impact as required by the documentation section of applicable guidelines, the Federal enforcement agencies may draw an inference of adverse impact of the selection process from the failure of the user to maintain such data, if the user has an underutilization of a group in the job category, as compared to the group's representation in the relevant labor market, or, in the case of jobs filled from within, the applicable workforce.

Consideration of user's equal employment opportunity posture. In carrying out their obligations, the Federal enforcement agencies will consider the general posture of the user with respect to equal employment opportunity for the job or group of jobs in question. Where a user has adopted an affirmative action program, the Federal enforcement agencies will consider the provisions of that program, including the goals and timetables which the user has adopted and the progress which the user has made in carrying out that program and in meeting the goals and timetables. While such affirmative action programs may in design and execution be race, color, sex, or ethnic conscious, selection procedures under such programs should be based upon the ability or relative ability to do the work.

(Approved by the Office of Management and Budget under control number 3046-0017)

(Pub. L.96-511, 94 Stat. 2812 (44 U.S.C. 3501 et seq.))

(43 FR 38295, 38312, Aug. 25, 1978, as amended at 46 FR 63268, Dec. 31, 1981)

FOUR-FIFTHS SEX VALIDATION

The following chart illustrates that the SSI shows no adverse impact with regard to sex. There was only a two-point spread between the average score for males (52) and females (50). A score as low as 42 for females would still indicate the SSI will not have an adverse impact based on sex.

	P	F	Q	D	I	C	G	TOTAL
Males N=470	39	48	42	56	63	63	51	52
Females N=144	38	45	42	54	61	61	52	50

The SSI meets and exceeds the 80% rule as far as the sex requirement.

Information is being collected and compiled with regard to race and age. Based on preliminary information there is no reason to be concerned with the SSI meeting these standards. Our sample size is too small to report on race and age at this time because most applicants have failed to provide us with this data. This data is only required when the SSI is to be used as a major part of the selection process. As a training needs identification tool no EEOC validation is required.

Understanding the Report

<p style="text-align: center;">SALES STRATEGY INDEX CATEGORY ANALYSIS</p>
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Name: John Doe

PROSPECTING / QUALIFY: The first step of any sales system. It is the phase of the sale where prospects are identified, detailed background information is gathered, the physical activity of traditional prospecting is coordinated and an overall strategy for face-to-face selling is developed.

A 22% (2/9) of the time you chose the most effective strategy
44% (4/9) of the time you ranked the second most effective strategy as your first choice

FIRST IMPRESSION / GREETING: The first face-to-face interaction between a prospect and the salesperson, this step is designed to enable the salesperson to display his or her sincere interest in the prospect...to gain positive acceptance and to develop a sense of mutual respect and rapport. It is the first phase of face-to-face trust building and sets the face-to-face selling process in motion.

B 13% (1/8) of the time you chose the most effective strategy
63% (5/8) of the time you ranked the second most effective strategy as your first choice

QUALIFYING / QUESTIONS: The questioning and detailed needs analysis phase of the face-to-face sale, this step of selling enables the salesperson to discover what the prospect will buy, when they will buy and under what conditions they will buy. It is allowing the prospect to identify and verbalize their level of interest and specific detailed needs in the product or service the salesperson is offering.

C 33% (2/6) of the time you chose the most effective strategy
17% (1/6) of the time you ranked the second most effective strategy as your first choice

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A Nine of the 54 questions deal with Prospecting. In the example, the participant was able to select the most effective strategy only twice out of nine questions (2/9). However, 4 out of 9 times they identified the second most effective strategy. Score indicates a need for improvement in this area.

B Eight questions specifically evaluate a salesperson's ability to create a good first impression during the first meeting. Selecting the most effective strategy only 1 out of 8 times is not good. However, 5 out of 8 times this person selected the second most effective strategy. Applying the most effective strategy could make a major improvement in results.

C Six of the questions analyze a salesperson's ability to discover the prospect's real needs. John most certainly needs to work on improving his skills in this area.

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CATEGORY ANALYSIS

Name: John Doe

DEMONSTRATION: The ability of the salesperson to present his or her product in such a way that it fulfills the stated or implied needs or intentions of the prospect as identified and verbalized.

D 38% (3/8) of the time you chose the most effective strategy
38% (3/8) of the time you ranked the second most effective strategy as your first choice

INFLUENCE: What people believe enough, they act upon. This step is designed to enable the salesperson to build value and overcome the tendency that many prospects have to place little belief or trust in what is told to them. It is this phase of the sale that solidifies the prospect's belief in the supplier, product or service and salesperson.

E 83% (5/6) of the time you chose the most effective strategy
0% (0/6) of the time you ranked the second most effective strategy as your first choice

CLOSE: The final phase of any selling system. This step is asking the prospect to buy, dealing with objections, handling any necessary negotiation and completing the transaction to mutual satisfaction.

F 38% (3/8) of the time you chose the most effective strategy
38% (3/8) of the time you ranked the second most effective strategy as your first choice

GENERAL: This area represents an overall understanding of the sales process. Knowledge of the process can lead to a positive attitude toward sales and a commitment to the individual sales steps.

G 56% (5/9) of the time you chose the most effective strategy
11% (1/9) of the time you ranked the second most effective strategy as your first choice

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D Top performers pick the best strategy more than 3 out of 8 times. John needs help in this area.

E At last, John exceeds top performers in this category. 5 out of 6 times he correctly identified the most successful strategy. He excels in this area, but based on previous information could be talking with the wrong people or blew the sales from a bad first impression or failed to discover the real wants or needs.

F John ranks fair in closing. 3 out of 8 times he selected the most effective area. The ability to close is important and work on the areas previously identified will produce more results than improving his skills in the closing area.

G Certain questions did not fall into the specific skill areas. These questions identify a general knowledge or attitude towards sales in general. John could improve his sales performance by gaining more knowledge about the sales profession in general.

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QUESTION ANALYSIS

Name: John Doe

54 QUESTION ANALYSIS

H 21 times chose the MOST effective strategy
17 times chose the SECOND most effective strategy as #1
9 times chose the THIRD most effective strategy as #1
7 times chose the LEAST effective strategy as #1

LEAST EFFECTIVE STRATEGY ANALYSIS

Please review the following questions. In these situations you selected the least effective strategy as the most effective strategy. For each question listed, the most effective strategy is provided for your review.

I 4-C 6-B 8-B 12-D 16-D 33-C
41-A

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H The 54 questions analysis provide another way of looking at John. Several times he thought the least effective strategy to be the most effective strategy. This can result in building barriers to the sale and could be having a major impact on his results.

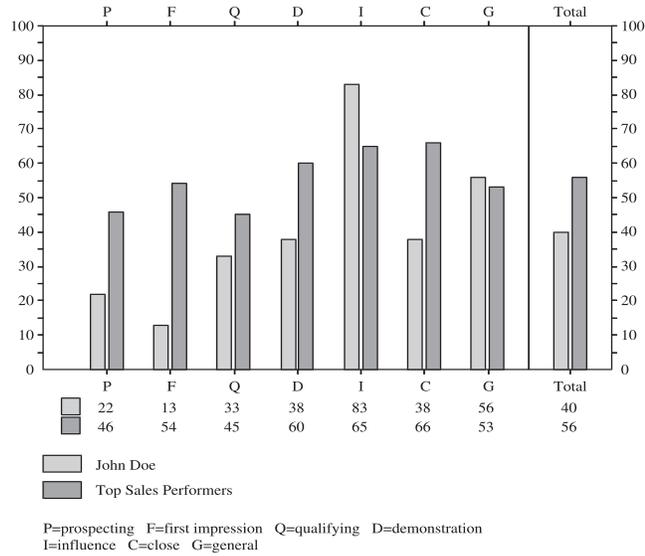
Nine times John picked the third most effective as the best or most effective strategy. By looking at both the Third and Least lines, we see that thirty percent of the time John is hurting his chances of getting the results he desires.

I John needs to discuss the questions identified in this area. The correct answer will give him a chance to discover how his strategy may be affecting his sales results.

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PRIMARY EFFECTIVENESS RATING

The following graph illustrates YOUR understanding of the most effective sales strategy in a series of sales situations. Research validates that understanding and applying an effective sales strategy is directly related to sales success. The higher the score in any particular area the stronger your specific understanding of what is required to be successful in the sales process.

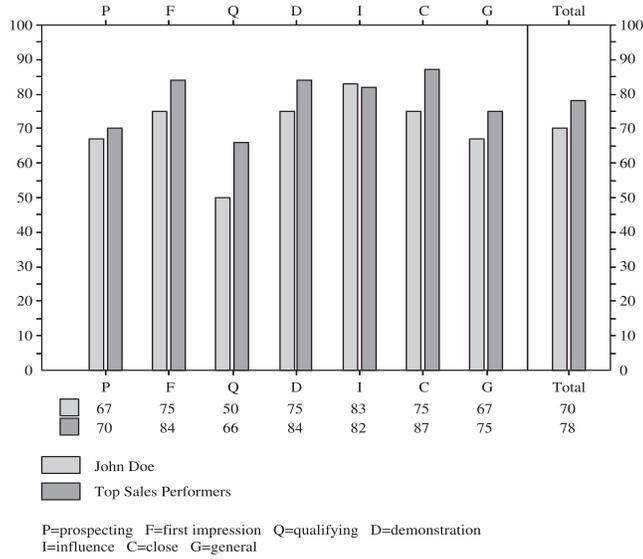


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This graph allows you to compare a person's knowledge of the most effective strategy and compare it with other top performers.

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PRIMARY AND SECONDARY EFFECTIVENESS RATING

This graph illustrates your overall knowledge of the most and second most effective sales strategies. The higher your score in any segment, the better your broad understanding of the overall sales strategy required in that step of a successful sale.



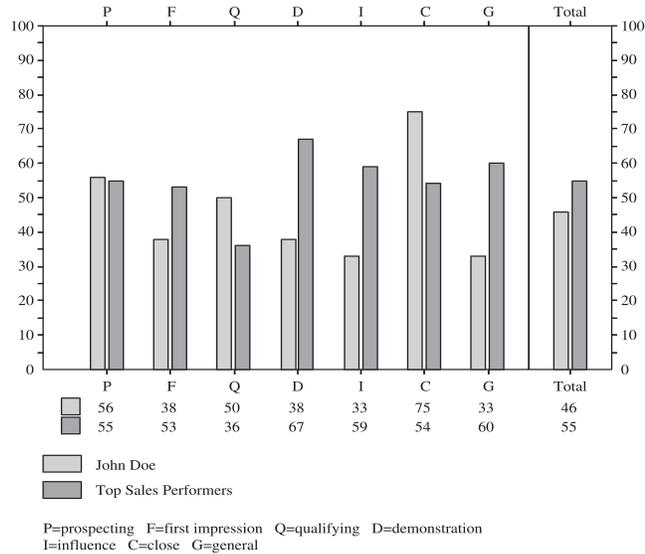
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When we combine the top two answers (primary and secondary), we can see that John is close most of the time. By a greater understanding of the correct or best approach, John would enhance his sales.

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UNDERSTANDING WHAT NOT TO DO

Knowing what NOT to do in a given sales situation can be just as important as knowing what to do. Your understanding of what NOT to do will keep you from building barriers to a successful presentation. A HIGH SCORE indicates that you have a strong understanding of what strategies to avoid when selling.



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Knowing what NOT to do can be just as significant as knowing what to do. The information from this section can be used to build confidence and help in the overall logic of sales strategy.

PROSPECTING/QUALIFYING

Possible reasons for scoring below top performers:

1. Lack of understanding who the real prospects and decision makers are.
2. Lack of understanding of the type of information needed to qualify a prospect.
3. Tied to traditional methods of prospecting.
4. Poor time management.
5. Telephone techniques.

SUGGESTED SOLUTIONS

Training, coaching or listening to the following RX tapes.

- Cold Calling Skills
- Time & Territory Management Skills
- Telephone Skills
- Self-Starting Capacity
- Handling Rejection
- Persistence

FIRST IMPRESSION/GREETING

Possible reasons for scoring below top performers:

1. Lack skills in identifying buying style and how to approach them differently.
2. More concerned about their own personal agenda than potential clients.
3. Inability to mark their style—even aggressive salespeople can.
4. Failure to gather the right information in the prospecting stage.
5. Failure to display sincere interest in prospect's problems.

SUGGESTED SOLUTIONS

Training, coaching or listening to the following RX tapes.

- Engaging Customers
- Projecting Rapport
- How to be Courteous and Polite
- Relating with Others
- Evaluating Others
- Taking Initiative in Meeting Others

QUALIFYING/QUESTIONS

Possible reasons for scoring below top performers:

1. Failure to appreciate the type of probing necessary to discover what the client wants and needs.
2. Failure to ask the tough questions or making an assumption that all prospects want to hear your presentation.
3. Poor listening skills.

SUGGESTED SOLUTIONS

Training, coaching or listening to the following RX tapes.

- Qualifying Buyers
- Questioning Strength
- Accurate Listening
- Understanding Needs
- Patience
- Maintaining Goal Focus

DEMONSTRATION

Possible reasons for scoring below top performers:

1. Failure to listen to the “wants” described in the question stage.
2. Demonstrating to fulfill their needs and not the client’s needs.
3. Failure to appeal to the customer’s interest and desires.
4. Thinking features rather than applications.
5. Failure to answer “What’s in it for me?” for your prospect.

SUGGESTED SOLUTIONS

Training, coaching or listening to the following RX tapes.

- Giving an Effective Presentation
- Persuading Others
- Balanced Communication
- Concrete Organization
- Personal Flexibility

INFLUENCE

Possible reasons for scoring below top performers:

1. Failure to understand the strategy of proving your claims.
2. Failure to sell value and justify price.
3. Failure to relieve the fear of buying.

SUGGESTED SOLUTIONS

Training, coaching or listening to the following RX tapes.

- Solving Sales Problems
- Identifying Buying Signals
- Maintaining Trust
- Emotional Connection
- Proving Your Claims
- Problem Resolution

CLOSE

Possible reasons for scoring below top performers:

1. Failure to negotiate the conditions of the sale.
2. Failure to answer objectives and create value.
3. Failure to take the risk to close the sale.

SUGGESTED SOLUTIONS

Training, coaching or listening to the following RX tapes.

- Dealing with Objection
- Closing the Sale
- Identifying Objectives
- Courage
- Self-Control
- Being Results-Oriented

GENERAL

Possible reasons for scoring below top performers:

1. Failure to appreciate the little things that lead to a successful presentation such as being prepared, using sales aids, managing time, and using call reports.
2. Lack of commitment of sales as a profession.
3. Poor attitude towards selling.