

Corporate policies to include micro activity goals can affect sales urgency in salespeople, prospects and customers

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Abstract

Many industrial salespeople and sales managers think that to close a sale they need to employ manipulative closing techniques during the closing stage of the sales process. That is a mistake. Successful sellers make prospects aware of their needs in the "needs awareness" stage and create a sense of urgency to satisfy those needs. This paper discusses how corporate policies, goal setting (financial and activity) and employing effective information systems can create or diminish the sense of urgency for industrial salespeople.

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I. Introduction – what is urgency?

Creating urgency at the salesperson's level is very complex. Sales managers seem to do everything possible to motivate their salespeople to sell more – now (Rasmusson, 1999). Since urgency is an inherent sense, it is very hard to describe and even more difficult to create. Urgency is that "gut-wrenching" feeling which causes discomfort with the status quo and seeks an immediate action in order to return to the comfort zone. Urgency occurs when a person is provided with information or reasons that either threatens their status quo, provides them with extreme benefits or some combination thereof.

Urgency is the antibody to apathy and complacency that prevents accomplishments. Reasons affect people differently at the cellular level. Presented properly, reasons can stimulate adrenal glands to secrete adrenaline, which compels people to immediate action. Those reasons usually relate to basic emotional needs such as greed, sex, survival, loss of security, fear, pain or some other basic human drive.

For a good reason such as not making a mistake that might result in the loss of one's livelihood, many people, especially older ones (John and Cole, 1986), do not like making decisions quickly. Nor do they enjoy novel work related activities. Most people are creatures of habit, very content to repeat the same activity, as long as that activity appears rewarding and non-threatening. For example, some people will continue to type letters on a typewriter since they consider it a reasonably efficient way to get that task done. They resist converting to a computer or word processor because it demands learning something new. However, they may change quickly if their security is threatened or if there is a beneficial incentive. Therefore perceived threats and incentives cause urgency.

Many prospects dislike meeting with salespeople whom they perceive as agents of change. Although most people realize that change is inevitable and actually positive, change demands learning and learning can be stressful. However in selling, it is most important to influence a change in attitude and a move to action "now". That is the purpose of urgency in sales.

Successful selling should make the prospect aware of a need and facilitate a sense of urgency to satisfy that need. Our culture



richly rewards people who can instigate a need and motivate others to move decisively to satisfy that perceived need. Yet the question remains, "Why is it so difficult for most salespeople to stimulate urgency?". To answer this, urgency must first be understood from a business perspective.

II. Where does urgency start?

CEOs and management teams are responsible for the success of organizations. So how do CEOs encourage urgency within their operations, especially at the salesperson's level?

First, CEOs must define their organization into strategic business units (SBU) with each SBU fulfilling its customers' needs. Each SBU must be a measurable operating unit. The head of each SBU must have the responsibility and authority to accomplish the SBU's mission. To further empower the organization, the leader must then delegate appropriate authority and responsibility to every person within each functional unit so they can achieve the SBU's purpose.

To create urgency, salespeople need to actuate both macro and micro activities. Trade shows, conferences and training sessions are examples of macro activities that are included in most business plans. However, as Ross Perot once said, "The devil is in the details" and the details in selling are at the micro level. Micro activities include such things as the number of phone calls necessary to secure an appointment or the number of first, second and closing appointments to secure a sale. Salespeople and sales organizations that ignore micro activities do lose sight of what really needs to get accomplished that creates urgency.

Sales management must also have an accounting system that measures not only financial data, but micro and macro activities as well. Many accounting systems neglect to measure macro and micro activities. By accounting for financial, macro and micro activities, management can quickly track progress or uncover problems before they become disasters. CEOs also need to enlighten their subordinates to the consequences of failure. For example:

Bill Gates frequently asserts that Microsoft is never more than two years away from being out of business. If someone as enormously successful

as Bill Gates sees fit to foster that sense of urgency, how can any organization justify being complacent? (Gandossy, 2003).

Once all of these things have been set up, each SBU must present its business plan in terms of goals, forecasts, budgets, quotas and activity (macro and micro) measures. Goals show the organization what to shoot for. Forecasts set sales goals, while budgets control spending. Quotas help salespeople know when and how much money through sales is due; but activity goals (macro and micro) let salespeople know how much, what and when certain activities are due to secure a sale.

This approach provides CEOs with a synchronized machine. For example, if the SBU's goal is to make a certain amount of money by selling a certain number of units over the next fiscal year, these goals need to be presented in terms of weekly dollar sales, unit sales and activity levels spanning the entire year. To make it work better, CEOs should not dictate, but should negotiate forecasts, budgets, quotas and activity (macro and micro) levels with the sales and marketing staff. Then management should use their accounting systems to track both financial and activity goals. These specific actions help motivate and control the sales organization while stimulating it with urgency.

Turning the forecast into selling action (urgency)

Management should implement the forecast by breaking down each goal into measurable units. The sales department should set sales and macro and micro activity goals for both sales management and salespeople. Although sales and marketing people cannot control dollar sales, they can control their activities. They can control how many trade shows they attend, how many seminars they put on and how much advertising they do. They can also manage how many telephone calls they make, the number of first, second and closing appointments they set, and the type of prospects they visit. They can also be in charge of their time both in the field and in the office. They can set time for prospecting, appointment making, training and education. Each salesperson must set, understand, agree to and record all their macro and micro activities. Afterwards, sales management must feed organizational results back to the salesperson. This creates an urgent

environment that will permeate through to the customer because salespeople are the link between the sales organization and the customer. Urgency must manifest itself at the organizational level first. Without goal setting and activity measurements at both the macro and micro levels, the sales organization will flounder.

Genesis of urgency at the salesperson's level

On implementing the above strategies, salespeople should feel a sense of urgency through professional, organizational and personal commitment to goals. Besides setting reasonable quotas, sales managers should understand their sales forces' personal needs and build solutions to meet them through their overall incentive and remuneration systems. This should motivate salespeople to achieve activity and sales objectives. Weekly micro and macro goals tell salespeople what to do. However, in addition to setting activity goals, salespeople need to be creative.

Since prospects usually do not fully understand their own needs, being creative means making prospects conscious of previously unrealized problems. Being creative means knowing how to present disturbing information and advice in professional and gracious ways. Done properly, prospects will trust and respect salespeople, become uncomfortable with their present situation and be receptive to new ideas that solve problems.

Objective of the sales call

The main objective of any sales call is for the discussion to advance to the next stage in the sales process. After the initial meeting, the next stage might include an in-depth analysis, a further discussion centered on qualifications, possibly a demonstration or even a presentation. Making prospects aware of their needs (problems) in the needs-awareness stage and attaining agreement to advance to the next step is one purpose of urgency in selling. The author defines this as the second sale.

But first, forecasts, budgets and activity quotas force goals to be met within specific time periods. Goals promote systematic timeliness and facilitate urgency throughout each operating unit of an organization. For example, the accounting and MIS

departments, feeling the pressure of urgency, will make their information available to the right people at the right time. The finance department will make sure money is available when required. The manufacturing and supplying units will also experience urgency, which will assure that proper amounts of goods are available when needed. With time and persistence, this spirit of urgency will permeate the entire organization, making it run like a well-tuned engine.

Tempering urgency

Although it is important to create an urgent climate, often events occur that may upset even the best plans. Forecasts, budgets, quotas and activity goals are objectives to strive for and to achieve, however they may not always be attainable. Successful CEOs know the difference between sincere efforts and unattainable endeavors. This is why it is so important to understand the merits of setting macro and micro activity goals in conjunction with sales goals. Activity goals are controllable whereas sales goals are not. Even though sales goals are a direct result of activity, other uncontrollable factors such as the economy, competition, and changes in the legal environment can adversely affect sales. Therefore, organizational leaders need to know how much activity is needed to create specific levels of sales. Unfortunately, since salespeople dislike filling out reports, the only way to get this information is to require it. The easiest way is for salespeople to employ computers that record their activities as they perform them. Finally, CEOs must always be alert to the changing environment and be flexible enough to adjust controllable variables accordingly.

Additional caveats

Other assumptions must be considered. This paper assumes that each salesperson knows and agrees to their activity and financial quotas. It assumes that territories are logically and efficiently designed (Piercy and Cravens, 1999). Since sales are a direct function of activity, it assumes that management considers micro activities equally as important as sales quotas. This paper also assumes that the organization does sales techniques training as well as product knowledge training. It also assumes that the sales organization implements a uniform sales process (DeCormier and

Jobber, 1993) for the whole sales force. Furthermore, it assumes that the organization has functional policies. For example, the salesperson should not be expected to do extensive traveling without being provided an adequate budget.

III. Organizational support through coordination of information

What else can motivate salespeople to feel and transfer this feeling of urgency to their prospects and customers? Marketing and sales management can help by providing the sales force with appropriate and timely information such as innovative reasons for buying, or competitive strengths and weaknesses. This information can come from numerous sources such as marketing research, salespeople, prospects and customers or even from their competition. This information might help develop new products or alert salespeople with new reasons for prospects to buy.

Once attained, this information needs to be quickly disseminated to the sales force and to others within the organization such as engineering, accounting and finance. In most organizations the marketing VP disseminates this information. This is especially effective if the organization employs a uniform sales process such as the "counselor selling style" (ibid.) that is designed to use this information to its best advantage. As a result, management can be assured that salespeople are manifesting urgency within themselves, prospects and customers.

IV. Summary

This paper focuses on what urgency is, where it starts and how to manifest it at the

appropriate levels both inside and outside the organization. A few key elements are necessary. Each operating unit must be defined and organized into SBUs. Goals need to be set. However, goals must not be limited to financial goals. They must include macro and micro activity quotas especially at the salesperson's level. Along with sales training and an effective uniform selling style, sales management needs to control information so that relevant information is available to salespeople as needed. Finally, accounting systems need to measure both financial and activity (macro and micro) levels. Top management is responsible for implementing these elements if they want to create a climate of urgency at the organizational, salesperson and customer levels. Without these processes in place, creating urgency at these operational levels is very difficult to achieve.

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