



BEST PRACTICES – PATTERNS OF FAILURE IN SALES

BELLWETHER FOOD GROUP, Inc.

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This is the first of five articles about fixing what is broken with the sales efforts inside many companies today. Many we talk to and work with are not happy with their sales teams' performance, and see a need for better results. We decided the time was right to share our thoughts on the patterns of failure, followed by a series of short articles, outlining a strategy to get the sales function back to performing effectively.

There are five distinct patterns that become evident when the sales process is failing inside an organization. When you see one or more of these distinct patterns emerge, you know it's time to rethink the overall approach:

- Product development work **doesn't pay out**
- You **lose a key piece of business**, as the customer has changed in direction — you **find out after the fact**
- **No progress** in bringing in new business
- Your team is **stuck in purchasing and/or R&D**
- Prospective customers **won't meet with your sales team**

Let's look at these patterns, as well as the root causes and the implications.

Product development work that doesn't pay out. A tremendous amount of time, energy and work is spent to meet customer product development deadlines, in an effort to generate new business. Over the course of time, most projects (50% or more) end up going nowhere. The reality is that only somewhere between 5 – 15% of the projects that a typical chain works on ever see the menu or ever become a limited time offer (LTO).

Too often, projects evaporate, go away, or go in some odd direction, with a vague or weak explanation. This is a clear signal that you don't have access to the right people inside the customer.

The R&D professionals enjoy and value the exploration and development process. This is what they live for. On top of that, they learn and have fun doing it; while the manufacturers who want the business are happy to pay for it!

Not all opportunities are created equally — some fit you better than others. There is no reason to over invest in development work, when you know it is going to be bid out. When the opportunity is well qualified, then by all means, give it your best shot. A new business opportunity for you, may or ***may not*** be a priority for the customer. You need to know where the opportunity ranks on the customer's list of priorities. Do this before you begin work on the project. Establish your limits and have an exit strategy combined with pre-established benchmarks. This is one way to avoid getting in too deep.

Boston **Dallas** **North Carolina**
617.281.5175 972.863.8057 843.422.4285

You lose the business or are already in serious jeopardy of losing it because an important customer has had a change in direction, or you have fallen out of favor. To make it worse, you find out either too late or after the fact. (The worst case we have heard about — one of our clients read about a new initiative with an existing chain customer, in one of their categories, in a trade publication!)

Incredibly, no one in your organization seems to understand why. Or, the explanations given don't sound credible, based on the information and direction obtained from the customer at the outset. This is another indication that you aren't connected to the right people inside the organization.

No progress on bringing in new business To grow the business you need new customers. They can be completely new to your company or new sales with current customers. If the majority of your sales energy is focused on defending and retaining existing business, this is problematic. In this case, all the work and development is on playing defense, so your team never learns how to or gains competence in developing new business. Not exactly a recipe for profitable growth.

Maintaining and/or defending business is a very noble undertaking in today's environment. Yet, that is not a growth strategy — it is only a year to year survival strategy. This is another symptom of not understanding the customers' priorities and focus, nor having strong enough accessibility to the decision makers.

Stuck in Purchasing/R&D If you get stuck in only purchasing and/or R&D, you are at a serious disadvantage. The thought of relying on only one or two individual's viewpoints to understand a complex organization is foolish. You need a wider range of perspectives. If those perspectives are not accessible, either because your team can't get past them or the customer is discouraging it; that is telling as well.

To a junior purchasing or R&D manager, every project looks the same; it must be done within the required protocol, on time. In their mind, once the project is completed, they are on to the next one, which is when they quit returning your sales teams' calls, they don't need them until the next one where your categories matter.

This level (purchasing & R&D) is not usually in the loop when the organization is setting or working on overall strategy; so they don't always have the insights about a specific initiative, nor where each one falls on the list of priorities for senior management. Their role is to get the work done, on someone else's timelines.

Don't start with purchasing if you are starting a brand new relationship. They don't often drive strategy or set priorities; nor does Research & Development. There are a few exceptions to this, but those are rare. We recommend starting with marketing to see where what you might offer fits. The first meeting should be a needs assessment interview, which will talk more about in an upcoming article.

Prospective Customers Won't Meet with your Sales Team

In this era of information overload, industry flattening and product parity, the advantages you used to be able to count on, have eroded. Everyone has great products and many competitors are fighting for the same business at reduced margins. Everyone is under new, intensive pressures.

The first meeting should be a needs assessment interview, (the subject of an upcoming article) to better understand their goals, priorities and challenges. (Interestingly, our chain clients tell us that most manufacturers don't ever ask about **their** priorities, goals or business issues.)

Do not make a capabilities presentation in the first meeting with marketing. If you do, the likelihood of getting the second meeting is very low. Early on, they don't really care about your capabilities. Only purchasing cares about that level of detail. The problem is, purchasing ultimately doesn't drive the agenda, nor set the priorities.

They do care about how you can help achieve what they want or what they need to get done —like growing their same store sales, or taking occasions away from their competitors.

Summary

Each of these five distinct patterns has one thing in common — they are a function of your sales competencies, or lack thereof. If your firm has a true understanding of the customers' business, culture, organizational structure, and accessibility to the right influences, then most of these patterns and the traps they create, can be avoided.

Absent that, you will continue to be at a competitive disadvantage. Over the last thirteen years, we've developed an entire process for enhancing the performance of sales organizations, which has proven successful with a number of manufacturers, of all sizes, across multiple product categories.

Following this article, we will follow with four separate articles discussing some of the essential elements of our sales process, fashioned around the principles in "[Silent Selling, Listening for the Sounds of Success](#)". These subsequent articles will cover these four separate topics in great detail:

- **Targeting & Prioritization:** A proven, systematic way to understand, evaluate and then prioritize where you should focus your energy. More importantly, this model is designed to help you decide where not to focus and which opportunities should be the priorities
- **Needs Assessment:** Needs assessment skills are all about having the conversation with the customer. This is the approach to understanding the priorities, the decision-making process, the pressures, the politics and what matters most to the decision makers
- **Account Penetration:** Penetrating multiple buying influences inside a customer organization is critical, yet few manufacturers do this very well. We'll share our approach as well as how our clients have made it work for them

- **Talent:** What does the next generation of sales talent look like? We'll outline the skills, traits, characteristics, behaviors, and competencies you need to be successful in the next five years. Some of them will surprise you!

If you haven't reviewed your sales strategy, process and overall effectiveness in the last 3 – 5 years, you're overdue. The problem is, you won't find out until after you have lost business or suffered significant margin declines on existing business. The customers' world and the pressures they are under have changed significantly over the past 3 – 5 years.

Founded in 2007, Bellwether Food Group is best known for our Restaurant Brand Architecture work for Chain Restaurants, Social Media Chat Mining, growth strategy and professional sales skill development work for manufacturers, and pre acquisition due diligence work for private equity firms who invest in those industries.

"[Silent Selling, Listening for The Sounds of Success](#)", is Mac Brand's book describing our unique approach to sales. See more on our website: www.bellwetherfoodgroup.com

Mac Brand; mbrand@bellwetherfoodgroup.com; 972-863-8057

Rob Hardy; rhardy@bellwetherfoodgroup.com; 617-281-5175

Jon Jameson; jjameson@bellwetherfoodgroup.com; 843-422-4285