The 80/20 Rule

Scott Farmer

We have all heard it over and over again, the 80/20 rule or the par ado effect. When applied to sales it means that 20% of the sales force brings in 80% of the business. I have found this to be true during my 20 plus years in sales, sales management, and sales training. The thing that has always been the challenge is how do you move up the 80%?

In order to understand how to move sales people up, you must first understand why the 20% are successful. When I teach sales training I usually ask the class this very question. I get a variety of answers some of which are very interesting:

They just know how to sell.
They have better territories.
They understand the product.
They know their territory.
They work harder.
They know how to sell value.

There is usually some good insight involved in their answers. I usually follow up with the questions "could they just be lucky". This normally sparks a few remarks. I then tell them that I have a different definition of Lucky.

''I'M A GREAT BELIEVER IN LUCK — AND I FIND THE HARDER I WORK, THE MORE I HAVE OF IT.''
-THOMAS JEFFERSON

L = LABOR Every successful sales person that I have ever met, works hard. I also have met lots of sales people who work hard and are not successful. Hard work is certainly a key element for success but it is only part of the equation.

U = UNDERSTANDING In order to be successful in sales you must have an understanding of your sales process, of the customers business, of your company and your products, and of the competition. Without this understanding you will never be able to discover how the value that you provide to your customer solves their pain. Developing a good effective strategy and tactics to support that strategy requires that you understand all aspects of the sales situation.

C = COMMITMENT Sales people must be committed to the sale and to their company. If you don't believe in your company or your products the customer will see it in your eyes. The commitment is what takes you over the top when the going gets rough.

K = KNOWLEDGE The entire sales process involves gathering information about the customers company, the contacts, the project, the competition, and the product or service you are selling and how it adds value. There is a saying that says "he who dies with the most toys wins". Well he who finishes the sale with the most knowledge usually wins.

Y = YOU At the end you are the one who decides to be in the top 20% or not. We can all find reasons why we lose business but the bottom line is it is YOU.

"SUCCESS IS 99% YOU AND 1% THE REST OF THE WORLD"

So how do we move the 80% up? I don't think it is likely that you will move the entire 80% up but, you can expect to move 60% up by

providing them with the right sales process and tools to drive that process, the right sales training, and positive but firm management and coaching. The other 20%, if they aren't related to the CEO they should probably consider a job change.

About Sales Force ASP

Scott Farmer is the Co-founder of Sales Force ASP. Sales Force ASP is a leading consulting and technology services provider of sales force automation processes and tools. Committed to delivering innovation, Sales Force ASP collaborates with its clients to help them become high-performance businesses. With deep industry and business process expertise, broad resources and a proven track record, Sales Force ASP helps clients improve their performance and generate increased business. To learn more, visit http://www.salesforceasp.com.