

## Addressing New Sales Roles



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A commonly heard lament in the sales world is that it keeps getting more complex. Many reasons are offered for this: greater customer sophistication, new bundles of product/solution offerings, technology impact, competition, globalization and today's generation of workers, to name but a few.

One concrete trend that reflects this new complexity is an ongoing evolution of traditional sales roles into a broad range of new roles and responsibilities. The individual sales representative role of old, in a territory-based force, was almost universally seen to serve as a jack-of-all-trades. However, in the authors' work with clients, that traditional go-to-market model has declined in prevalence over the past few years.

This is not necessarily a bad thing. Done properly, these new roles can support more sophisticated market strategies that are better aligned with customer segmentation and buying preferences. They can also lead to a more cost-efficient use of talent and resources. To support this, sales organizations today generally have more sophisticated tools available to manage and coordinate such a strategy.

Not surprisingly, structuring and adopting new selling roles creates a fresh set of management challenges. For example, how one structures sales roles impacts optimal compensation levels, incentive design and pay mix; moreover, there are implications in organizational

structure, talent, operations and management processes that can undermine a more sophisticated sales effort, depress productivity and drive up costs and frustrations.

The key to addressing these new challenges is in modifying human capital management processes to meet the evolving impacts on the sales function. In fact, the authors have found that a fresh look at some older tools and concepts can help bring together common and new roles in an intuitive way and help pave the way to a more effective sales management approach.

## SOME OBSERVED NEW SELLING ROLES

Typically, three dynamics impact the evolution of new selling roles:

- **New skill demands.** The sales team needs to add to its core set of hard skills and behavioral competencies to remain effective in addressing new customer preferences/sophistication and the new possibilities opened up by technology and innovation.
- **Segmentation of the sales process.** Rather than relying on a given sales individual to handle a broad range of sales accountabilities, some companies have found it more effective to have individuals with differentiated skill sets focusing on specific sales tasks.
- **New management requirements.** As a consequence of the previous two points, the sales management team also needs to add capabilities and processes in order to maintain sufficient control, coordination and effectiveness of a more complex sales entity.

Figure 1 provides an illustrative list of some of the new selling roles the authors have encountered in their work with sales organizations over the past few years.

Given the continuing rate of evolution of new sales roles, this list is not exhaustive; one will likely be able to identify other niche roles that could be included.

## ISSUES TO BE ADDRESSED IN DEFINING NEW SELLING ROLES

Defining new roles, executing them well and successfully integrating them into an established sales effort requires paying attention to important tactical issues on several levels.

Successful organizations systematically think through these issues in order to put the right platforms in place to support change. The topics below are areas in which these new roles invite questions for any sales organization.

- **Talent recruiting, development and fit for the role.** Are there sales incumbents on the team that can carry out these roles effectively? Do new sales team members need to be found in a new way, through a different sort of recruiting effort? Does skill training need to be enhanced?
- **Sales crediting and eligibility for rewards.** Is the new role truly selling – i.e., closing business? How much value to a final sale will the new role provide? Companies need to make sure that rewards to different participants in a given sale do not drive total compensation costs for the sale too high.
- **Salary and incentive design.** What are the behaviors that the new selling role

**Figure 1 | New Sales Role Types**

Role Type	Role Title	Purpose
New Skill Demands	Advanced Inside Sales	Build customer relationships beyond routine questions, but less complex than a direct visit would require
	Account Managers	Interact with multiple levels within a client's business to build relationships and sustain sales
	Community Managers	Manage broad relationships with a key client community with direct or indirect buying influence
	Sales Analytics Specialists	Provide data analysis and insight from the new flood of Customer Relationship Management (CRM) data available
	Social Media Coordinators	Build virtual (but strong) relationships with prospects and customers that can lead to closed sales
Subdivision of the Sales Process	Big-Game Hunters	Target a handful of significant potential customers with commensurate business development efforts
	Long Sales Specialists	Handle 2-3 year horizon type sales (big contracts, government, long business development cycles)
	Pre-Sales Specialists	Filter prospects and establish warm leads in preparation for focusing a direct sales call
	Product Specialists/Overlays	Serve as an as-needed resource for front-line representatives to provide deeper information or expertise to customers and prospects
	Win-Back Specialists	Prospect through lost or non-renewing ex-customer lists to re-establish business relationships
New Management Requirements	Advanced Sales Management	Support the sales team efforts in less transactional selling environments — coaching, team management, communication, etc.
	Channel/Distribution Management	Strategically manage agreements with third-party distributors as an indirect channel
	Sales Team Leads	Lead a multi-faceted sales approach by setting team goals, managing team interactions and applying leadership skills

needs to demonstrate to be successful? Do existing performance-management and incentive programs reward these behaviors? Do new performance metrics need to be added? Does the target pay mix need to be reset? Is a commission or bonus structure more appropriate for the role?

- **Goal-setting approaches.** How concretely can performance expectations for the new role be defined? How accurately can goals be preset? If goals are hard to set meaningfully, should they be tied to rewards more loosely?
- **Measuring success and effectiveness.** To what degree are traditional performance measures such as compensation cost of sales/margin relevant for the role? If the necessary behaviors are hard to quantify for impact, then their power as a reward or as a management tool may be limited.
- **Management and coordination.** What rules of engagement need to be defined between the new and existing selling roles? How should different selling roles interact on a day-to-day basis? If conflicting priorities arise between roles, then which priority should have precedence?
- **Change adoption.** How will the overall sales team react to these new roles? How will this be communicated? Can the roles be tested first? Piloting something new in a controlled manner often helps transition and allows the sales team's ideas and perspectives to be incorporated into new roles.

## USING MARKET PRACTICE INFORMATION TO SHAPE NEW SELLING ROLES

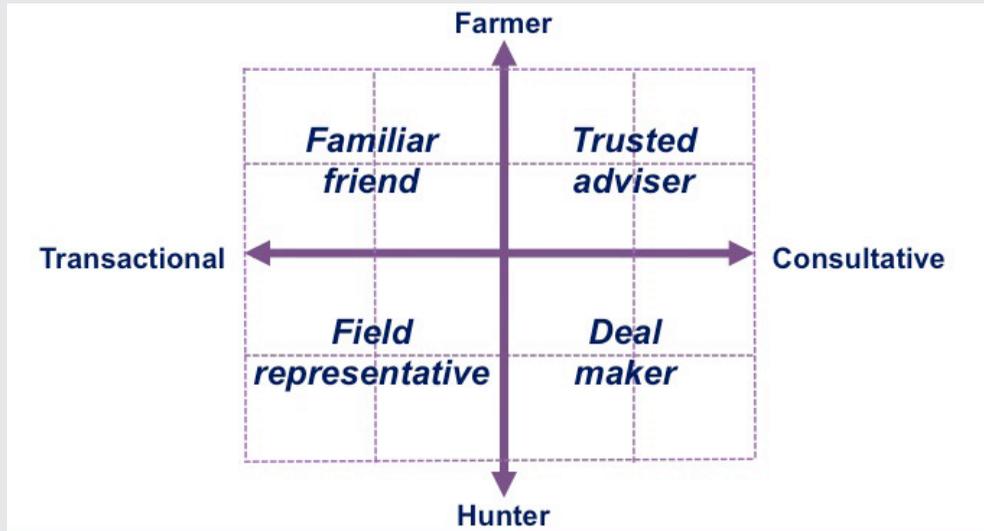
Sales roles are also traditionally difficult to benchmark against available market practice and pay data. With sales roles evolving, underlying factors that impact interpretation of the data will become more challenging, if not impossible. For example, a sales representative in one company may be chasing new business opportunities while a sales representative in another firm may be managing an existing book of business, or selling products with different complexity, or handling different lead generation expectations. Additionally, while compensation level information might readily be available, comparisons for pay mix, plan design elements and competencies for selling roles may not be.

To assist in better understanding sales roles, Hay Group developed a Sales Value Matrix, based upon the company's database of recent plan design attributes and reported competencies from more than 50 organizations and 200 sales roles. The matrix is defined by two continua: 1) the nature of client interaction, defined from transactional to consultative, and 2) the degree to which the role is servicing versus initiating demand (familarly defined as farmer and hunter roles). The intersection of these two continua creates four basic sales roles: 1) familiar friend, 2) field representative, 3) trusted adviser and 4) deal maker. (See Figure 2.)

Sales positions on the left, "transactional" side often have other factors that help support selling, such as robust product marketing and advertising or an off-the-shelf product offering that is easy for the customer to understand and use. In contrast, the sales roles on the right, "consultative" side take a more customizing sales approach, designed to help build solutions with the customer.

Farmer roles along the top of the matrix manage an existing customer base. Their role is to preserve margin, cross-sell new products and maintain relationships. Hunter roles on the bottom of the matrix are responsible for prospecting

Figure 2 | The Sales Value Matrix – Role Analysis



and securing new business. Usually, hunters need to generate a number of sales leads on their own and close them.

Once the selling role in question is placed into this conceptual matrix, benchmarking the position to typical plan design, pay mix, competencies and skills and other elements of sales compensation becomes more applicable because it is based upon a similar role definition.

## ILLUSTRATIONS

Companies that have used these tools to help design new selling roles and their supporting characteristics have seen promising results. Here are two recent experiences:

### A New Sales Specialist Role

One financial services company developed a software-as-a-service (SAAS) offering to its customers. The offer was a solution that needed to be customized for each of its clients. The business had a complete field organization with account management, business developers and inside sales. To help launch the SAAS offer, a Sales Specialist role had to be designed to provide support to the field sales organization, be the expert on the sales calls and help support and answer the technical requirements to execute the sale.

Once the role was fully defined, the organization referenced its targeted competencies on the Sales Value Matrix to assess whether the new Sales Specialist should be on an incentive plan and if so, what the characteristics of the incentive design should be.

The Sales Specialist at this company mostly called on existing customers with the account managers and sold the custom offer. This placed the role within the Trusted Adviser quadrant. (See Figure 3.) The authors were jointly able to identify

the core competencies for Trusted Adviser jobs in this box: analytical thinking, customer focus and teamwork were recognized as key differentiators. For the incentive plan, the database indicated that bonus plans were prevalent with a typical pay mix around 80% base/20% incentive. Upside in the incentive plan for the role was often around 200%.

### A New Big-Game Hunter Role

Another recent example comes from a manufacturing organization that created a Big-Game Hunter role for a few incumbents. The traditional sales representatives at this organization were responsible for educating and training customers in technical knowledge on products. However, the representatives also had to build relationships in order to help achieve recurring orders and negotiate prices within preset pricing policies.

The Big-Game Hunter role was designed to be different. The expectations for the new role were to call only on new customers of a certain size. The new role would also have more leeway on pricing.

The authors used the database to help identify the competencies for this new role. The information noted that an achievement orientation, flexibility and initiative were critical to an individual's success in the position. The organization also sought assistance with designing the incentive plan, wanting to understand what other organizations with similar roles do. Given the placement of the new role within the Field Representative quadrant (Figure 3), the database indicated that commission plans were prevalent, with a pay mix around 70% base/30% incentive and no caps on rewards. This result led to a new incentive design from the traditional sales organization.

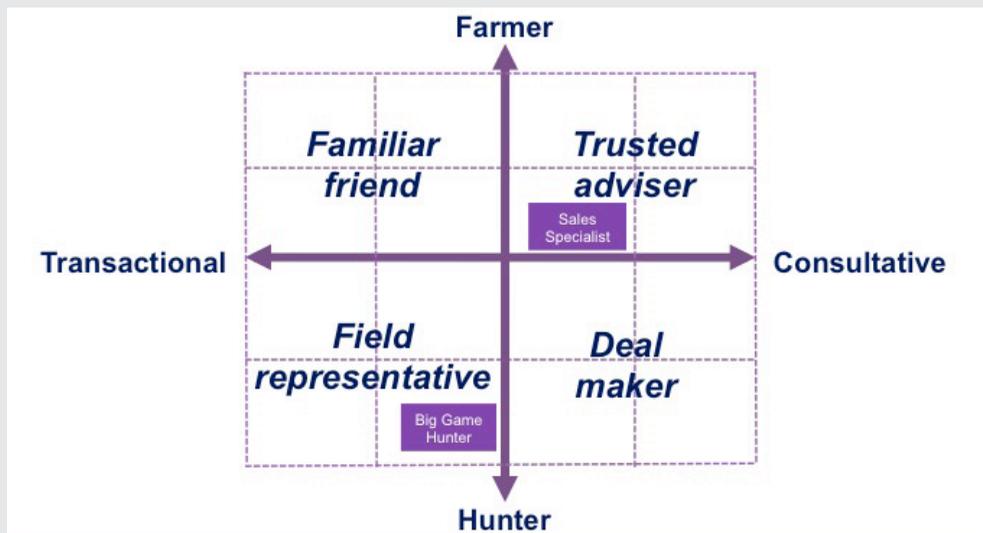
## FINAL THOUGHTS

Even if benchmark data are not used to assess the reward impact of new selling roles, the Sales Value Matrix is still a tool that can be used to help clarify thinking and definition for roles. For example, a large medical device company with a sales organization of more than 800 professionals already had a diverse range of roles, including account management, national accounts, inside sales, technical support specialists, project managers and others. However, senior leaders in the organization plotted their existing roles on the matrix and found that the organization did not have any Deal Makers, which was impacting their overall performance. The company used this information to clarify roles internally and shift the focus of some of the incumbents to fill the gaps in the sales effort.

Companies have also found it helpful to do the following:

- **Think from the outside in.** Work backward from customer segments and preferences to derive the structural requirements a new or existing sales role must fulfill.
- **Don't force fit roles just to maintain a salary grade structure.** Small modifications to the overall structure to accommodate new roles' characteristics actually

Figure 3 | Example of Sales Value Matrix — Role Analysis



result in a more consistent structure over time.

- **Strive for modular rewards designs.** Incentive plan designs that combine standard design architectures with appropriate role-specific refinements will make administration much smoother, even as market circumstances change.
- **Set a time to revisit the new role definition.** A 6- or 12-month check-in to validate new roles and job descriptions will allow the organization to adjust its support for unforeseen facets of a new role.
- **Train sales management to handle new requirements.** Managers need to be prepared to handle new sales team members in an inclusive way.

In the future, the underlying dynamics of new skill demands, sales process segmentation and management complexity will continue to drive the evolution of new sales roles. But smart adaptation of the tools and information companies have at hand should help sales organizations enjoy the better productivity, efficiency and power that these trends make possible. ■

#### AUTHORS

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