



SALES LEADERS:

Want to know what the biggest threat is towards achieving your sales targets?

FIRST, SOME SCARY STATS

(SOURCE: THE TAS GROUP)



67% of sales professionals do not attain individual quota

37% win less than half of their potential deals

AND A RECENT STUDY CONDUCTED BY BI WORLDWIDE SHOWED:



Over **50%** of salespeople are bored

47% of managers are not motivating their sales force

If these stats are to be believed, what's going on here?
Why are so few salespeople performing, and what can sales leaders do about it?

BEHAVIOURAL ECONOMICS

Estimates are that adults make about 35,000 conscious decisions per day. When faced with making about 48 decisions per waking minute, is it any wonder that people take shortcuts? Unfortunately when we take shortcuts, we often don't make the decision that's in our best interest.

Behavioural economics is the practical understanding of what shortcuts we use in making decisions to do something (or not to do it, as the case may be). By understanding the how and why, we can often influence the outcome.

WHAT YOU ARE UP AGAINST

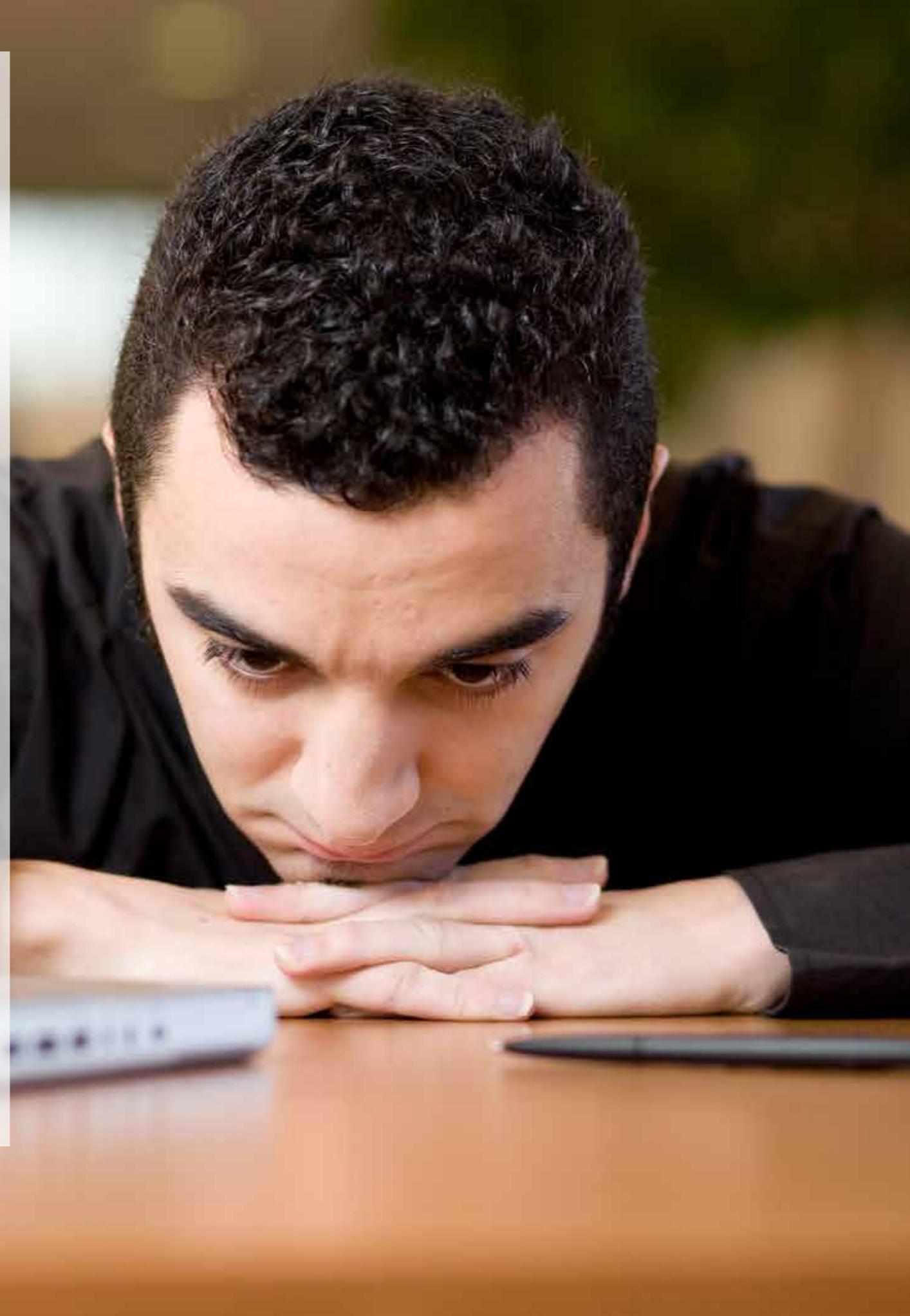
The study of behavioural economics has demonstrated that humans are not the rational decision-makers we think we are. In fact, the majority of our decision making is comprised of emotional responses. In addition, humans are programmed to seek pleasure and avoid pain.

This leads to your biggest threat, your biggest challenge to overcome with your sales team: **complacency**.

For example, Joe is an average sales performer – his success falls somewhere in the middle of the pack. He will give his company 100% of his effort two days a week, 75% two days a week, and 50% one day a week. Joe has learned that when he does this, he earns his base salary. He doesn't meet his sales targets every quarter, but he gets to keep his job.

Joe knows he could work harder and earn another \$2000-3000, but he lives a comfortable life on his base salary and all his needs are met. Besides, the top performers in his company are so far above him that he believes he'll never be one of those.

For Joe, the pain (discomfort) of working harder and the subsequent uncertainty of that work paying off is greater than the pleasure of couple thousand dollars more.



HOW TO OVERCOME IT

Every commissioned salesperson has the opportunity to maximise his or her comp plan, but clearly, many don't.

The solution is actually pretty simple: take control of the "hedonic treadmill."

The hedonic treadmill is similar to a real treadmill. You get on and start running; after a while you feel fatigued but you keep going; then suddenly the steps become normal and you almost forget about putting one foot in front of the other.

Mentally, on the hedonic treadmill, you start earning your income and the level of effort it takes to earn it becomes the norm. And, while people will always say that they want to earn more, very few agree to do the work it takes to do so.



THREE THINGS YOU CAN DO

1

Motivation triggers: Motivation = ability + trigger.

Find the right trigger and watch things start to happen.

"No! I won't sell another widget for a \$100 bonus. No one is interested in winning another iPad". Instead, mix it up and get some new ideas. It can be more about the experience of being recognised than the reward.

2

N-effect: Fewer competitors = more motivation.

The fewer people you have to compare yourself to, the higher your motivation.

Pair equally matched individuals in head-to-head competitions or segment the sales force into groupings so that like competes against like.

3

Loss Aversion: Pain of loss > the pleasure of gain.

Frequent communications showcase which sales people are ahead, behind or tied with their competition.

Those that are ahead want to maintain that placement and those that are behind are motivated to put forth a higher effort to make sure they don't lose.

Contact us if you would like more information on how to implement these and other tactics that will change complacent **sales zombies** into **sales superheroes**.

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