



BLENDING SALES TEAMS AFTER A MERGER

BY TY G. SWAIN

Headlines tell the story of what is happening in today's industrial marketplace. The big stories revolve around mergers and acquisitions. For example:

- MRO distributor Stellar Industrial Supply merges with Advantage Machine & Tool Inc.
- Bearings maker Timken acquires Revolve
- Sonepar acquires Industrial Distribution Group (IDG)

While a merger or acquisition may make sense to the overall business plan and growth of a company, assuring a successful transition of the sales organization requires strong leadership focus, communication and support.

WHAT MAKES ACQUISITIONS CHALLENGING

Often, what makes one company successful differs from another. The challenge is assuring that as the companies are brought together, the end result is a unified, successful, collaborative "team" of people working toward the same goal of supporting and growing customers to increase sales revenue. Success comes down to two very important things, integrating people and culture.

Companies with a positive culture have strong, engaged leadership and can attract and keep great people. Companies with a negative culture often have limited, disengaged leadership, are pressure-oriented or unhealthy and do not attract or keep top talent. Even with two companies where the culture and people in both are highly successful, integrating cultures, leadership teams, service departments, systems and processes and – most importantly, sales organizations – presents unique challenges.

Sales organizations will have differing accountabilities and metrics for success, compensation, incentive and bonus models, sales strategies and processes, sales channels, products and services, value propositions, territories and markets, customer types and decision-makers, etc. All are big issues.

Often, the complexity of integrating sales organizations is overlooked and sales leadership is left with the daunting charge to assess and develop solutions to offset the impact to the sales organization. As mergers and acquisitions many times occur in a tightly controlled corporate environment, the sales professionals who hold the key to customer success are the last to know in the process, creating uncertainty, hesitation and

insecurity among the team. This can lead to a loss of momentum and stagnation in sales.

SALES LEADERSHIP – LEADING THE CHANGE!

Growth Dynamics has found that the key to successful integration of sales organizations is for sales leadership to take the lead in presenting and communicating a shared vision of top performance.

Generally, as companies integrate their sales forces, they may find considerable differences in how each company goes to market and sells. Now that the company offers new products, services and expanded lines, success in sales has changed. What salespeople must do, where they focus their efforts for success, and how and what they must sell has changed.

One sales team may have been primarily focused on managing current accounts and now needs to focus on new business development. That requires prospecting, qualifying and developing new customers and mining current accounts to cross-sell or up-sell based on an expanded product and service portfolio. How does this impact compensation and incentive models? All of this must be considered and aligned to the sales role.

The reality is the role of sales has changed for everyone on the team including sales leadership. But what is the role of sales today and for the future? How can sales leadership address sales force integration if they haven't defined the sales role and don't know the talents, skills or limitations of the new sales team? How can sales leadership help team members adapt? How will they develop or modify the compensation model to support current and new sales team members, while motivating performance and territory growth?

DEFINING TOP PERFORMANCE IN SALES

To be successful in leading a unified approach to sales success today, sales leadership MUST clearly define the picture of top performance in sales. Done correctly, this sets the foundation for recruiting new team members, training and developing the existing sales team, realigning territories, or even restructuring the compensation model to support new performance metrics for the role today.

By collaborating with the sales team during this process to gain their feedback, determine their successes and challenges, and seek recommendations to support their efforts, sales leadership sets the stage for sales team engagement and cooperation in adapting to the changes required for top performance and success.

POST-ACQUISITION SUCCESS FACTORS

1) Sales Team Benchmark for Top Performance. Sales leadership must have a clear definition of the role of sales that includes role focus, sales process, performance metrics, skills, motivational characteristics and a targeted definition of success.

Without a standard for performance, a sales team will work independently to define their own means of success. This leads to a team of individuals where leadership

never knows why one person is more effective or successful than another. Today's sales professionals seek direction, accountability and strong leadership that supports their success, eliminates obstacles and holds them accountable for growth.

2) Sales Team Assessments for Development. Utilizing an assessment tool that measures sales skills, motivation, attributes and fit to the role of sales in a company is critical. The assessment helps sales team members understand their strengths, core capabilities, and how they must adapt to be successful in the role.

3) Sales Team Analysis for Leadership. Using the benchmark metrics for top performance and results from the assessments, a sales team analysis provides sales leadership with an overall perspective of the team (as a whole and individually). This allows sales leadership to target specific areas for training and development to maximize leadership effectiveness and team performance.

Many times the most successful sales training and product training experts are often right in front of sales leadership. They are the top performers on the team today. If done correctly, sales leadership can utilize these resources to bring teams and people together and establish joint collaboration and success.

4) The "Voice" of the Sales Team. Over the last 10 years, GDI research has proved that 94% of all GDI benchmark programs had greater success when the sales team was engaged in the process upfront, and were asked to share their "voice" about what makes them successful, the struggles in the role, how leadership can help, and what they need for success.

Providing an opportunity for the sales team to have a voice in the process establishes communication, transparency and trust. It also creates

role awareness and accountability for top performance. If the sales team sees themselves as the ones defining top performance and driving change, they will support it.

Realizing the complexity of every sales organization, defining top performance and engaging the sales organization will arm sales leadership with the information and metrics needed to manage change, drive team development and lead performance improvement aligned with the role requirements. This provides the foundation to better select, develop and retain a top performing sales organization that fits the culture and company!

"Our company's evolution required the successful integration of two powerful sales organizations with differing cultures, leadership, customers that sold differing products, services and solutions. As a new sales team exceeding 120 sales professionals and leaders, we needed to define the role of top performance in sales to establish a foundation to guide the team through change, align sales leadership, and help the sales organization adapt as a unified team that sells the same products and services with success. It has been a key factor to our sales organization's evolution."

KIM SEIDELMAN, MANAGING DIRECTOR, WALTER USA

TRANSFORMING THE SALES ORGANIZATION

As customers change how they buy and the marketplace continues to evolve with mergers and acquisitions, the sales force must evolve how they engage customers and how they sell. If the team is brought together to focus on the role of sales and its part in defining top performance and sales success, transformation will occur because the team realizes they drove the process and result. GDI calls this sales force transformation! **IS**

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