

The Bundling Advantage

How Team-based Approach Can Heat Up Sales

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Companies facing the dual problem of increased competition and the need to increase the efficiency of sales functions are learning from the example of industries like telecommunications and pharmaceuticals. These industries have mastered the art of bundled sales. By successfully reconfiguring their sales organizations to allow representatives to sell across many sectors, they've increased their market share and, as a result, profitability.

The pharmaceutical industry, which has long used a separate, specialized team of sales representatives to handle prescription brands and another group of sales representatives to handle over-the-counter (OTC) products, eventually found itself with a need to cut costs. This inefficiency resulted in inconveniences to customers such as physicians who received multiple calls from the same company every day.

So, how do these sales people manage the variety of tasks they now face with an audience that is both notoriously time-crunched and in possession of a short attention span? How do sellers get quality time with prospects to deliver company messages and present products in a way that builds relationships and fosters sales? How is this done in light of increasing competition from other companies?

To address these issues, some companies have re-organized themselves into a model of team selling. For example, in the pharma industry, one sales representative offers both OTC and prescription brands to customers increasing efficacy and economies of scale. Pharmaceutical representatives who have had a history of successfully selling one product joined their counterparts in strategic planning sessions from other divisions to share what they were doing to be successful. The counterparts who incorporated these "best practices" ideas were rewarded for this behavior beyond traditional bonuses awarded for excellent sales. Employees were

The answer lies in team selling and knowledge validation—the essential ingredients to a winning sales effort. By implementing a well-designed performance improvement plan to reward and support such things as knowledge sharing and team collaboration, the company was able to improve their delivery of cross-selling communications to their customers.

Employees were motivated to target the top 10 customers that were potential users of both transport and wireless. This opened the door to new opportunities which allowed representatives to make larger sales of bundled products to the existing customers.

Knowledge Validation

Here is how it works: First, implement a knowledge validation mechanism that rewards representatives for their in-depth knowledge of all product lines and services being sold. This is done with a series of online field quizzes that employees get points for taking and passing. These points are then redeemable for a large selection of awards. These quizzes highlight product features and benefits, older products in the same category and also the products of competitors. These quizzes also serve as a way to collect information about "best practices" – techniques that spell success for some of the sales reps.

The use of this knowledge validation tool calls employees to action. The first indication of success is an employee's willingness to validate his or her knowledge—those who are not engaged shouldn't be on the team.

Team Selling

From the best practices audit, we learned that sales reps who "tag team" prospects have greater success getting face time with them. Tag teaming consisted of

recognized for sharing and validating.

A similar trend has taken place in the telecommunications industry. With the increased frequency of mergers and acquisitions, many companies have had to readjust their sales initiatives to offer bundled products and services that meet the needs of their expanding portfolios.

For example, as a result of a recent merger, a major telecommunications company expanded to encompass multiple divisions such as long distance/transport, wireless and network. The company's biggest revenue source had been its wireless product offerings, which was managed separately from the other two divisions. This new arrangement meant three different sets of people within three distinct structures now had to come together and communicate a unified message to customers.

However, the company wasn't focusing on legacy employee knowledge between the units in a way that would benefit existing customers and cross sell services. How did this company achieve integration and cross selling among their disparate sales teams?

Two sales representatives who regularly made appointments to visit prospects but alternated their visits at appropriate intervals. You might look at this as "forced knowledge sharing"—not only are reps sharing product knowledge and the feedback from the customer, but also the contact strategies resulting in even more face-time. This technique helped to build a progressive bridge that allows for ongoing communication with the customer and other staff members.

This approach can be used in a number of different industries when products and/or services are bundled together:

A One-Two Punch

A combination of team selling and knowledge validation allows sales reps to continually stay focused on customer needs and answer their questions in a way that leaves them confident about using the products, and provides education to their customers/clients/other staff so they can be more involved in their decisions. These reps should be rewarded for retaining and growing the business in tough times.