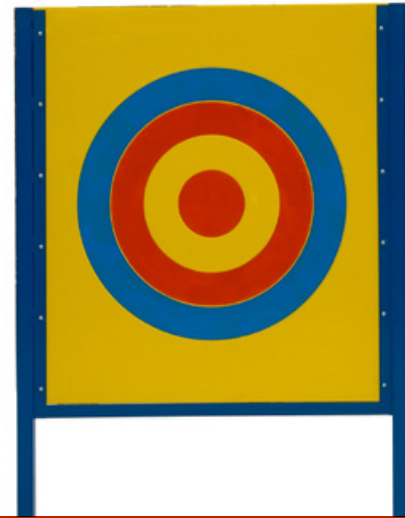




Overemphasis on Profit Erodes Your Bottom
Line: Why purpose-driven salespeople wildly
outperform their quota-driven counterparts

Lisa Earle McLeod

Most people believe that money is the primary motivator for top salespeople and that doing good by the world runs a distant second. **That belief is wrong.**

If your sales force isn't producing what it's capable of, it may well be that you're over-emphasizing profit at the expense of purpose. This observation doesn't come just from personal experience but from hard data. Studies show that companies committed to improving their customer's lives outperform the market by a stunning 15:1 ratio.

As a sales leadership consultant to companies like Apple, Kimberly-Clark and Procter & Gamble, I've conducted double-blind studies that came to the same conclusion: Purpose-driven sales reps wildly outperform quota-driven ones. How is it possible that you can get more from your sales force by instilling a sense of purpose than by dangling bonuses and incentive trips in front of them? **Mindset.**

A quota-driven mindset spirals into the lowest common denominator sales activities. You start competing on cost, not value. You think short-term, fail to understand the customer's environment, and cannot grasp the link between your products and the client's need. It's a slow descent to commodity status.

A purpose-driven mindset does the opposite: You think long-term. You ask better questions. You understand the customer's environment. You know their goals and challenges. You know how to link your product to their needs. You gain access to the customer's senior management. You do all this because your purpose isn't to make more money; it's to make your client more successful.

Quota-conscious sales leaders have an internal focus ("How can we get more money out of this customer?") while purpose-driven leaders have an external focus ("What can we do to help this customer succeed?"). Sales leaders fueled by purpose know that an overemphasis on profit erodes the bottom line. They know that profit is the wake left behind when you play for higher stakes.

They know that purpose drives profit.

So why do so many organizations over-emphasize profit at the expense of purpose? Because of 3 widespread mistaken beliefs about sales.

MISTAKEN BELIEF #1 | Top-performing Salespeople are Primarily Motivated by Money.

Six years ago, I was part of a consulting team that was asked by a major biotech firm to conduct a six-month-long double-blind study of their sales force. The purpose of the study was to determine what behaviors separated top salespeople from the average ones. The study revealed something no one expected: the top performers all had far more pronounced sense of purpose than their average counterparts.

The salespeople who sold with noble purpose—who truly wanted to make a difference to customers—consistently outsold the salespeople who were focused on sales goals and money.

The words selling and noble are rarely seen in the same sentence, much less paired together in an article about sales. But the hard data proved top performing salespeople have a sense of noble purpose that their average performing counterparts don't.

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It was a startling discovery that I might have missed had it not been for a curbside conversation at the Phoenix airport.

I was finishing a two-day ride along with a sales rep. As she dropped me off at the airport, I asked her a question I hadn't asked the other reps: "What do you think about when you go on sales calls? What's going on in your head?"

"I don't tell this to many people," she confessed, looking around the car as though someone was going to hear her secret. "When I go on sales calls, I always think about this particular patient who came up to me one day during a call on a doctor's office.

"I was standing in the hallway talking to one of the doctors. I was wearing my company name badge, so I stood out. All of a sudden this elderly woman taps me on the shoulder.

"'Excuse me, Miss,' she said. 'Are you from the company that makes drug x?'"

"Yes, ma'am."

"'I just want to thank you,' she said. 'Before my doctor prescribed your drug, I barely had enough energy to leave the house. But now I can visit my grandkids; I can get down on the floor to play with them. I can travel. So thank you. You gave me back my life.'"

The sales rep told me, “I think about that woman every day. If it’s 4:30 on a rainy Friday afternoon, other sales reps go home. I don’t. I make the extra sales call because I know I’m not just pitching a product. I’m saving people’s lives. That grandmother is my higher purpose.”

Sitting in that blistering Phoenix heat, I realized she had said something incredibly important. I thought about that conversation during the entire flight back to Atlanta.

Our consulting team had spent months shadowing salespeople all over the country. We’d conducted in-depth interviews and analyzed every aspect of the sales calls. But this was the first time anyone had spoken so openly and dramatically about his or her mindset.

Was the big differentiator between top performers and average performers really a sense of purpose?

I went back to the transcripts of the interviews looking for purpose, and I didn’t see it at first. But then I looked closer—and there it was, in the rep who said, “My dad was a doctor. Doctors have an even harder job than most people realize. I want to make it easier for them.” It was there in the rep that was thrilled to be discussing the science, practically glowing when he said, “Isn’t it amazing the way that we’re able to do these things?” There were other reps that talked about the impact they had on nurses and patients. And although none of these people actually used the word “purpose,” it was there.

At the end of project, the client asked us to look across all the reps and identify who we thought were the top performers. It was a double-blind study, so the other consultants and I didn't know who was at the top and who was just average.

I found seven reps that had that sense of purpose when reviewing the interviews. I told the client, "I think these seven are top-performing salespeople."

I was 100 percent right, which confirmed my belief: top performers weren't driven solely by money. They were driven by purpose.

And the rep in Phoenix who went on sales calls thinking about the grandmother? She was the number one salesperson in the country three years running. While her average counterparts were trying to win the incentive trip, she was playing for much higher stakes, which translated into higher sales.

Ironic, isn't it? The salespeople who cared about something more than just money wound up selling more than the salespeople who were focused only on quota. This surprising finding led me on a quest to understand what goes on inside the minds of top-performing salespeople and how leaders can replicate that mind-set throughout their organization. After six years of research and 10,000 hours of studying salespeople, the results leave no doubt: a noble sales purpose™ (NSP) is the difference between a merely effective sales force and one that's truly outstanding.

MISTAKEN BELIEF #2 | Sales Leadership Should Coach to the Numbers

You don't need to look any further than the auto industry to see what happens when salespeople lack a noble sales purpose.

The auto industry has genius engineers. They do extensive consumer research to identify exactly what we might want or need in a car. Their marketing people create compelling ads. But what happens when you go to the dealership? The only thing the salesperson wants to know is, "How much a month can you pay?" and, "Do you have good credit?" Years of work, thousands of hours researching the consumer, millions of dollars spent, and it all falls apart on the showroom floor.

As anyone who has done it can attest, buying a car can be an absolutely soul-sucking experience. Car salespeople don't care about making a difference in your life. All they care about is closing the deal—because closing the deal is the only thing their sales manager has told them to care about.

The conversations managers have with salespeople drives the conversation salespeople have with customers. The internal conversation becomes the external conversation. So if the internal conversations are only about price, volume, and targets, with no mention of a larger purpose, that's exactly what your salespeople will discuss with customers.

In February 2012, former Goldman Sachs executive director Greg Smith announced, via a scathing op-ed for *The New York Times*, that he was resigning after 12 years at Goldman because “the interests of the client continue to be sidelined in the way the firm operates and thinks about making money.”

Smith wrote, “Not one single minute is spent asking questions about how we can help clients. It’s purely about how we can make the most possible money off of them. If you were an alien from Mars and sat in on one of these meetings, you would believe that a client’s success or progress was not part of the thought process at all.”

Ouch.

Smith’s op-ed about Goldman Sachs was *The Times* most e-mailed article for several days in a row. Goldman saw \$2.15 billion of its market value wiped out as a result of the letter.

Double ouch.

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Smith's op-ed went viral because it confirmed what people had long suspected about Goldman and other brokers: they didn't care about the clients; they cared only about the money.

When leaders believe that their sole purpose is to produce profit, they view their customers as "its." Customers are no longer human beings; they are anonymous targets and prospects whose sole purpose is to help the company make money.

Smith described a culture very much like this at Goldman, where leaders routinely referred to customers in disparaging manipulative terms. He wrote, "Over the last 12 months, I have seen five different managing directors refer to their own clients as 'Muppets,' sometimes over internal e-mail."

The way leaders talk about customers matters. When you emphasize short-term profit over long-term customer satisfaction, employees get the message loud and clear. A junior employee who hears his boss call customers Muppets isn't going to take those customers' needs and concerns very seriously in the future. And this is fatal for a sales force.

The internal conversation always becomes the external conversation. It doesn't always wind up in *The New York Times*, but it does show up in how your people treat your customers.

A noble sales purpose (NSP) keeps your customers from becoming “its.” A company with a strong NSP would never allow anyone, especially not a senior leader, to refer to their customers as Muppets. I suspect there are more than a few Goldman customers reflecting back on their conversations with their account manager wondering, “Does he think I’m a dumb Muppet?”

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Most decent leaders don’t make a practice of using disparaging names for customers, but talking about customers as anonymous targets and prospects isn’t much better. When leaders talk about customers solely as a means to achieve their own goals, it radiates out to every single person in the organization. That kind of language creates a culture that says, “We don’t exist to do something for our customers; customers exist to do something for us.”

People no longer care about helping customers; they just want to make money off of them. And it’s only a matter of time before the customers start to feel it.

MISTAKEN BELIEF #3 | Profit is The Purpose of Business

When the customer becomes nothing more than a number to you, you become nothing more than a number to the customer—and your entire organization suffers. When you overemphasize financial goals at the expense of how you make a difference to customers, you make it extremely difficult for your salespeople to differentiate themselves from the competition.

And the problem doesn't stop there. It has a ripple effect on salespeople, who:

- Start thinking only about the short term.
- Fail to understand the customer's environment.
- Cannot connect the dots between your products and customers' goals.
- Cannot gain access to senior levels within the customer.

Then the problem escalates:

- Customers view you as a commodity.
- You have little or no collaboration with them.
- Customers place undue emphasis on minor problems.
- Customer churn increases.
- Contracts are constantly in jeopardy over small dollar amounts.

- Salespeople's default response is to lower the price.
- Sales has a negative perception in the rest of the organization.
- There is little or no product innovation.
- Sales force turnover increases.
- Salespeople try to game the comp plan.
- Top performers become mid-level performers.
- Salespeople view their fellow salespeople as the competition.
- Sales force morale declines.

It's not a pretty picture. When the internal conversation is all about money, the external conversation becomes all about money. And all of a sudden, that's the last thing you're making.

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Companies have tried a variety of methods to solve this problem. Organizations spend millions on sales training programs that teach salespeople how to ask better questions and engage their customers. They spend even more millions on customer relationship management (CRM) systems to capture critical customer information. They host off-site retreats to create mission and vision statements. They hire expensive consultants to craft their value story.

But the results are short lived at best. Salespeople abandon the training. No one updates the CRM. The mission and vision are put on a meaningless placard in the lobby. And the value story is reduced a bunch of ho-hum slides that sound just like everyone else's.

The reason these solutions don't deliver sustained improvement is because they address only the symptoms. They don't tackle the root cause: the lack of purpose.

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How A Noble Sales Purpose Drives More Revenue

Peter Drucker once famously said, “Profit is not the purpose of a business but rather the test of its validity.” I’ll take that a step further: **Driving revenue is not the purpose of a sales force; it’s the test of its effectiveness.**

When targets and quotas become the primary organizing element of your business, the result is mediocrity at best. Although profit is of course critical, it’s not the best starting point for driving sales revenue. To do that, you have to start with a noble sales purpose (NSP).

An NSP is a definitive statement about how you make a difference in the lives of your customers. It speaks to why you’re in business in the first place. Used correctly, your NSP drives every decision you make and every action you take. It becomes the underpinning for all your sales activities.

One of my clients is a provider of information technology (IT) services for small businesses. Their NSP is simply, “We help small business be more successful.” It drives everything they do. Every decision, large or small, must pass through that filter, “Will this help us make small businesses more successful?” If the answer is no, they don’t do it. Every new product and service they create—every sales call they’re on—is focused on how they can make their customers’ businesses more successful.

Since implementing their NSP strategy, their sales are up 35 percent. In a tough economy when customers are cutting back on outside IT services, their business is growing.

An NSP is a new way to think about your business. Doing business from an NSP perspective is counter to the way most corporations, entrepreneurs, and salespeople have been told to think—and that's exactly why it works.

Instead of making profit your sole purpose, you emphasize the impact you have on customers. Profits are the result of your work, not the sole purpose of your efforts. It might sound like heresy, but purpose is the secret to driving more revenue.

Lest you have any doubt about the power of purpose, consider this: the data from a 10-year growth study of more than 50,000 brands around the world show that companies who put improving people's lives at the center of all they do outperform the market by a huge margin. The study, done by an independent consulting group in partnership with former Procter & Gamble chief marketing officer (CMO) Jim Stengel, revealed that "those who center their business on improving people's live have a growth rate triple that of their competitors, and they outperform the market by a huge margin."

Jim Collins and Jerry Porras of *Built to Last* fame documented that organizations driven by purpose and values outperformed the market by 15:1—and outperformed comparison companies by 6:1

My own six-year study of sales organizations revealed that sales people who sell with noble purpose consistently outsell the salespeople who are focused on money and sales targets.

The research is clear, and it confirms what we know in our hearts to be true: a noble purpose engages people's passion in a way that spreadsheets don't.

The noble purpose mindset isn't a mantra—it's a completely different way of selling. It will prompt your sales team to ask better questions, uncover more useful customer intelligence, close bigger deals, and grab new markets.

Whether you lead an organization, a sales force or just yourself as a salesperson, selling with noble purpose affects every aspect of your efforts—from how you conduct your sales meetings, to how you construct incentive programs, to making client presentations to pre- and post-sales call coaching, to even the prompts on your CRM screens.

You don't have to create world peace. Your noble sales purpose can be about making your customers more successful or about changing your industry.

A friend of mine in politics has worked in several congressional and Senate offices and on some large national campaigns. She once told me, “In every office, there’s always a TB.”

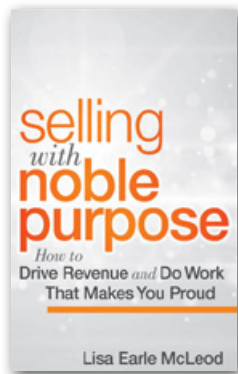
“What’s a TB?” I asked her.

“A true believer,” she said. “That starry-eyed optimist who still believes they can make difference. But here’s the thing all the jaded staffers don’t tell you—everyone else in the office is secretly jealous of the true believer.”

I’ve come to understand the reason everyone is jealous of the true believer: we all have a secret true believer inside of us, just waiting for permission to come out.

Selling with Noble Purpose is about igniting the true believer that lurks in the heart of every salesperson. Because, as much as salespeople want to make money, they also want to make a difference. 🐣

Info



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ABOUT THE AUTHOR | Lisa Earle McLeod is a sales leadership consultant. Companies like Apple, Pfizer and Kimberly-Clark hire her to help them create passionate, purpose-driven sales forces. Her offerings include executive coaching sessions, strategy workshops and high impact keynote speeches.

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