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# Recapturing Sales Growth In 2021

## Differentiate from competitors ahead of a post-COVID economy

By Jim Peduto

By most measures, jan/san businesses fared well in 2020. Most of our clients had their strongest year ever. While revenue growth was modest, unprecedented COVID-related product demand shifted the product mix in favor of higher-margin categories. The result was a solid bottom-line performance. The challenge in 2021 is to replace COVID-generated sales as the economy slowly recovers.

Let's begin by defining "growth." The minimum growth objective in mature industries, such as jan/san, is GDP plus inflation. That means that when the economy grows at 4 percent (the current Federal Reserve forecast) and product inflation is 3 percent (reported by clients), the minimum acceptable growth rate is 7 percent. Anything less and you are losing market share. Add in normal account attrition and you need double-digit growth just to stay even. Anything less, and you are losing market share.

Double-digit growth in 2021 is going to be a heavy lift since it requires:

1. Replacing non-recurring COVID sales
2. Overcoming adversely affected vertical markets, i.e., office and hospitality
3. Dealing with increasingly price-conscious customers
4. Rebuilding pipelines

Can your existing sales team, with its current skills, get it done? The answer depends on their relative strength in the two competencies that are the foundation of every growth strategy: hunting and consultative selling.

**Hunting:** Our research shows that nearly 95 percent of a distributor's business comes from existing accounts. Distributor salespeople tend to overemphasize market-

servicing and spend very little time market-making. As a result, hunting skills have atrophied.

COVID-related sales made the situation worse. No selling was required. The biggest issue was product allocation, not sales. Many salespeople have not "sold" since the pandemic began — nearly a year ago. Only four in 10 (40 percent) have the ability to hunt. Even hunters grow their business until they become an account manager. The result is anemic growth. Rebuilding your organization's ability to hunt needs to be a priority in 2021.

**Consultative Selling:** Successful salespeople differentiate themselves and add value by having great business conversations. As a result, the customer learns something they didn't know, and the salesperson changes their

customer's thinking. They lead by emphasizing the customer's business outcomes rather than products.

While only 12 percent of salespeople can sell consultatively, the good news is that the skills can be measured, and your team can learn how to sell consultatively if you know what to look for. Knowing what works and what doesn't will tilt the odds in your favor.

"Go-to" tactics that rarely work include:

- Spiffs and promotions
- Tinkering with sales compensation
- Nagging the sales team
- Pep talks
- Setting "stretch" targets
- One-time training events

On the other hand, successful businesses transform their sales organization by:

1. Measuring/baselining sales and sales leadership competencies
2. Targeting sales development to identified weaknesses
3. Relentlessly coaching to re-enforce effective behaviors that support the sales process

We've all heard that the definition of insanity is doing the same thing over and over again and expecting a different result. What are you going to do? **SM**