

Welcome to this issue of *The Sales Solution*, the semi-monthly sales tip from Sales Solutions, the one stop for all your sales training and coaching needs.

This issue's tip is in the [Sales Productivity](#) category.

### **Sales Effectiveness and Sales Efficiency**

Would you rather make 100 lousy, poorly-delivered calls or 50 high quality, well-delivered ones? Well, if you got lucky on the 100 lousy calls and 75 of the prospects you called bought, you'd take the those calls. This *can* actually happen in a booming economy. But has anyone seen an economy like that around lately? I haven't. In this economy, your 100 lousy calls will net you maybe 4 or 5 sales - to prospects who were primed to buy anyway (and were probably looking around right when you happened to call). In *this* economy, I would rather have 50 high-quality calls - calls that engage a prospective customer in a meaningful dialogue in which he shares his concerns with you, and that ideally leads to an appointment. And so should you. Because we have a finite number of hours in a day, and days in a week. Because the economy in which we find ourselves today is not one where we can get away with wasting time and opportunities with poor calls and sloppy presentations. Because good, profitable opportunities are fewer and farther between, and as a result we need to maximize the effectiveness of our interactions with prospects. And the efficiency with which we operate.

Well, that's fine. But what exactly does that mean? Just what is the *practical* difference between effectiveness and efficiency? And how's it going to help me be more successful?

Effectiveness, as many of you know, measures how much you produce - the amount of something relative to a yardstick other than time or money. For example, if you meet your quota, your are effective relative to what your company expects you to produce. If, however, your colleague exceeds the same quota, you are less effective than he or she. Sometimes it's difficult to judge how effective someone really is. To use our example, a sales person who gets 75 prospects out of 100 to buy in a booming economy when everyone else is doing the same may or may not be an effective rep; if he gets only 5 to buy in a soft economy when others are getting 25 to buy, clearly he is not.

Efficiency, on the other hand, measures what you produce relative to a certain limited resource - typically time or money. Whereas effectiveness is driven by superior skills, knowledge, and experience, efficiency is driven by solid time and territory management skills. If you and your colleague both produce the same results, but you do so in less time or with less expense, you are more efficient than him or her. An efficient salesperson shuts out all outside distractions and, say, makes 10 high-quality calls in two hours, or prepares and rehearses a complete presentation in that same time. In those same two hours, an inefficient salesperson takes a phone call from his pal, surfs the web for 45 minutes, and squeezes in 5 calls around these distractions. Or, he wastes too much time on the phone chatting with a prospect about irrelevancies. Or he spends twenty minutes changing the background color on his Powerpoint presentation from blue to green to teal to yellow,

so that it takes him twice as long as his colleague to get to the same end. He's wasting a limited resource - time. And time, as we all know, is money.

So, which is more important to your success - being effective or being efficient? Some might argue for effectiveness - as long as I get the job done I'm assigned to do, who cares how long it takes - "how efficient" I am? To go back to our example, our *inefficient* salesperson might be still be quite *effective* if he can manage - if he's skilled enough - to get the same 10 meetings his colleague did, despite all the wasted time. Others might counter that as long as you're being effective, why not be efficient, too? After all, if your goal is to be the best sales person on your team, or to make the most money, or to get the most recognition, doesn't it stand to reason that you want to be working both efficiently *and* effectively? Why should it be an either/or decision? You're a professional, right? And besides, isn't that what your company expects out of you? If the inefficient sales person in our example could get 5 meetings in two hours while wasting almost half that time, he should be able to get five more if he buckled down and used that half hour more productively. And get closer to his - and his employer's - goals. So could you.

**Action item:**

Review your own daily activity - prospecting, qualifying, preparing for presentations, preparing proposals. Is there anything you can do to streamline those processes, to make them more efficient, without sacrificing quality (effectiveness)? How much time are you spending on unproductive activities (it's OK to a breather once and a while to check on your kids or catch up on the news of the day, but do keep it reasonable)? Are there things you can do to make yourself more *effective*, for example, by learning a new method, being trained in a new procedure, or developing a new skill?

Let me know how this exercise works for you. Send your ideas to me and I'll publish the best ones (anonymously, of course, and only with your permission) on the web site (with my observations and comments, of course), so we can all learn from them.

Good selling!

Craig