

Kompass Ireland – Finding ways to improve salesforce performance¹

Kompass Ireland has changed significantly, during its 20-year history. Since its establishment in 1984, Kompass Ireland has been a profitable company with a well-recognised brand name. Kompass is a provider of excellent business information to a variety of different industries. In early 2002, the company's founders sold the business to An Post, the Irish postal service. Faced with changing market dynamics and an altered competitive landscape it has had to adapt in order to survive. The Kompass management team sought ways in which they could improve the performance of their sales team. They sought help from Strategic Marketing Consultants (SMC), to help them in their endeavours. The firm had been acknowledged to have an excellent sales and marketing approach, but one in which there was significant potential for further growth. But how can an organisation change its culture and the behaviour of its sales team when their past sales strategies have been so successful. In the majority of organisations, there is a particularly well-known adage – “*If it ain't broke, why fix it?*” Therein lay the challenge for the consultants and the Kompass management team – “*how can we improve our sales even further?*”

Background

The company is the Irish franchise of Kompass International, which has franchises in over 60 countries, with in excess of 2,000 employees. In June 2002, Kompass Ireland was sold to An Post, the state owned Irish postal service, for an undisclosed fee. An Post acquired Kompass Ireland as part of its strategy to expand its purchasing information and the direct marketing side for their LetterPost division. The group wanted to expand its direct marketing capabilities, providing a strategic fit with other An Post subsidiaries such as PMI (*Precision Marketing Information, a huge consumer data provider*), and DM Works (*a direct mail services provider*). Prior to its sale the company was privately owned. Under the buyout the company was to remain a standalone company with its management team intact. As part of the sales agreement one of the former owners remained on as managing director for a two year period. The managing director felt it was possible to significantly grow the business and in July 2002 he invited Strategic Marketing Consultants (SMC) to conduct an assessment of the company with a view to growing the business. SMC conducted a review of the business in July/August 2002 and presented its findings to management at the end of August 2002.

The Kompass system is a marketplace for businesses: [sellers](#) present their products and services; [buyers](#) find what they need. The Kompass system enhances the link between buyer and seller; it uses a unique classification system to accurately link each buyer to the product or service that will satisfy his or her requirement. It offers each seller unique methods to target qualified sales prospects. Kompass has served European business and industry for some 50 years. Its usefulness has caused it to grow continuously from its origin in Switzerland to its present coverage of more than 60 countries around the world. Originally published in paper format as the “Kompass Registers of Industry”, the advent of new technologies has allowed the service to be extended and enlarged. However, the aim of the service remains fundamentally the same: to enable better purchasing through the provision of reliable, timely, and categorised information.

¹ The authors of this case are sincerely indebted to the management of Kompass for their help in the construction of this case study.

Kompass Ireland is now a subsidiary of An Post and operates the Kompass System in the island of Ireland. The information collected is distributed (with permission) worldwide.

Kompass serves the needs of the sales, marketing and purchasing sectors for business information. The information is company specific and covers mainly contact details, products and executive contacts. Vital information needed for any sales organisation. Sales and marketing users generally have the same type of information requirements. Whereas people involved in purchasing, who are a small buying group, are significant users of free distribution products such as "kompass.com" or the "Source Business CD" used whilst trying to find suitable vendors. It helps companies get more business and/or helps them buy more effectively. Nearly 70% of Kompass's business comes from companies requiring "data" (*i.e. companies buying the information to assist their sales and marketing activities such as lead generation*). The remaining 30% comes from "Listings" (*i.e. providing advertising media that help connect suppliers and buyers*). An illustration of a typical customer and the sales process would be as follows; an Irish company hoping to export its products to Britain may call Kompass through a direct response advert. This company approaches Kompass to identify names and addresses of potential industrial buyers in the UK market. The salesperson's role would be to identify the need of the company in greater detail and then provide the requested information via a hard copy format, computer disc or online. An example of a typical product is the Irish Industrial Estates Directory which is a mapped guide that profiles 312 industrial estates, business parks and business centres including 5,800 individual company listings and contact names. The Kompass data allows customers to pursue accurate target marketing. Kompass customers can target new customers by:

- Type of Industry: electronics, food, financial services etc
- Type of Company: manufacturer, service provider, exporter etc
- Location of Company: by county or postal district
- Executive Category: managing director, purchasing manager, IT manager etc
- Company Size: number of employees

Kompass sells mainly to the Irish market. It is a franchise set-up, meaning that it cannot sell into other countries where there is a local Kompass franchise operation. An anomaly of the system is that the company does service the UK market under the "business.ie" brand. The company estimates that the potential market for its existing range and type of products / services is around 10,000-15,000 companies. In a single year the company would deal with 2,000 users. Information as a product/service is seen by most users as a discretionary purchase; a company doesn't have to have it or, at best, they might need it but feel that it can be sourced free of charge. This "culture" is inevitably prevalent in a small economy where there is a high level of local knowledge. As information, especially the type supplied by Kompass, which now has moved to electronic media, the value placed on the product has increased because of increased usefulness and improved flexibility.

The main direct competition is in the business listings market where there are two very strong suppliers; however they have relatively narrow product lines. These companies have been clever in their targeting, going after sectors where Kompass was until recently weak (*e.g. specialist lists such as professionals or large accounts that required extensive database records for a listing*). A new competitor emerged in 2003 in the CD market offering a "flat rate" CD service but their data content remains weak. In the Listings business, the "Golden Pages" (Ireland's Yellow Pages) is the main competitor but does not compete "head-on" in any aggressive sense as Kompass has tended to target a

narrow business market that Golden Pages pays least attention to. The most significant “competition” however, is the alternative ways that a company can spend its budget and especially its marketing budget. Kompass effectively competes with a plethora of promotional, sales, advertising, print and distribution methods ranging from client entertainment through exhibitions and sales team training. All of these methods are designed to generate sales leads for these organisations. Most companies will not have an annual budget allocation for “information” products. This places a greater onus on Kompass’s sales and marketing function to create demand in the market through education, sampling, offers and personal selling.

Table 1 – Kompass Ireland – At a Glance

| Background of Kompass Ireland | |
|--|------------------------|
| Established in Ireland in 1984. Bought by An Post in 2002, for an undisclosed fee. Kompass operates as a stand-alone company. Company has over 100,000 live company records on its database Employs a variety of field sales & telesales staff. | |
| Types of Products Sold | Competitor |
| Printed Directories | Dun & Bradstreet |
| Directories on CD | Goldenpages |
| Internet Directory | Bill Moss & Associates |
| Top 5000 Buyers Guide | |
| Irish Government & State Directory | |
| Register of Irish Industry and Commerce | |
| Irish Industrial Estates Directory | |
| Directory of Irish Financial Services | |
| Kompass International Directories | |

Kompass uses two main forms of product delivery. Kompass directory information was originally sold in the form of printed directories. Now electronic directories have superseded the printed products, declining rapidly in popularity. The printed directory business now only accounts for less than 6% of the business. The electronic format has three forms of delivery, that of “Off-line” (CD Based), “Online Access” and finally the “Business List Service” (*which is delivered via email mainly*). Electronic media caters for what can broadly be called the “desktop” market; the users get the information through their PC or network. The development of Kompass’s electronic product offering has allowed the firm, greater exploitable sales opportunities. The company has greater scope to manage or control usage frequency, through these electronic media. Electronic Kompass products, particularly “Online Access” provides suitable subscription models, for whatever the period requested. For example, electronic media equally suits short term temporary buying, like a company who needs access to Kompass’s database for 6 weeks for a special marketing project. This has helped Kompass to broaden their user market for information products. Using the Kompass online faculty, users can search by product, brand, area or company, searching details on 24,000 top Irish companies from over 80 business sectors. In addition, local suppliers and agents can be identified and product ranges are listed.

Kompass has two main forms of sales – “Data Sales” and “Advertising”. “Data Sales” is where customers buy data in various formats on a regular or irregular basis (e.g. Top

5000 Directory or a CD database.) Such sales account for 70% of the company business. It is a sales and promotion-intensive product area and average order value is around €300- €350 worth. Customer types vary from very small companies to large sales and marketing departments, but usage is not directly related to size of company. Kompass focuses on all types of industries and market sectors. The key products for "Data Sales" are as follows:

- Foreign CDs/Books
Information on any international market.
- Irish CDs
Lists of companies and organisations in Ireland, including contact details.
- Direct Mail
Tailored direct mail lists for individual clients.
- Printed Directories
Lists of companies/organisations in Ireland and contacts details.
- Up Data
Specialist cards for specific companies mailed to specific target markets
- PhonePages/PPLite
The Telephone Directory on CD disc
- Shared Data (Kompass International)
Information on Irish and international markets
- Contact Manager
A system for contacting specific people in companies and organisations
- Online Data
Business information through the web

Based on customer feedback here are some of Kompass's customers' thoughts about the company:

- The business directory supplier
- Quality information provider.
- The best company for business contacts
- Very strong on product details
- Slightly to quite expensive
- Good on manufacturing and industrial information
- Not good on general business lists
- A good service but hard to see a return (*not necessarily a perception peculiar to Kompass in the information business*)

The Listings Sales (or advertising business) accounts for the remaining 30% of the company's business. This revenue stream comes from customers who pay a repeat fee to have their products and services listed in the various advertising (or "*listings*") media that Kompass offers. Approximately 65% of customers renew year on year and therefore there is quite a high new business requirement. The main sales method to reach this audience is field sales. The company has a variety of different types of customers, as can be seen from figure1.

Figure 1 - Types of Customers

Free Users: These users access the free information provided by the various media – mainly the Internet. They don't pay for a service or product and in the main they are looking for or are sourcing a business product/service. They form the circulation or readership that drives the Listings or advertising business. People who use what free media are potentially a source of future paying customers.

Paying Users: These users pay annual subscriptions to get access to extensive business data and/or advertise on Kompas media.

Once-off users: Some companies have a particular requirement for data on a once-off basis and don't repeat buy (e.g. a new business start-up that needs to build a small initial list of prospects but who might only serve say 50 customers over a 5 year period).

Sporadic Users: These customers buy as they require the data or in response to an offer, but are unpredictable spenders. They form a large part of printed directory and business list sales. (*The printed directory market historically is a sporadic-user market*).

Regular and Annual Users: A regular user buys every 18 months or so and typically are CD users. The Listings business is an annual subscription market and about 40% of CD buyers renew annually.

Feeding the Sales Pipeline

An executive with responsibility for the sales and marketing has to get the mix right between the two functions. Marketing creates awareness and helps build brands but it does not necessarily give you immediate sales. Since the company's establishment in the Irish marketplace, the emphasis has been more on sales than on marketing. Kompas has two key positions a "Sales Manager" and a "Sales & Marketing Manager". The "Sales & Marketing Manager" tries to develop new products, incentives, special offers, and undertaking marketing activity to support the sales effort. Whilst, the Sales Manager focused on motivating and coaching individual salespeople. The firm uses a variety of above and below-the-line marketing communications activities. For above-the-line, the company uses print and radio advertising, which is suitable reaching selected business audiences. It is felt that Kompas products/services are discretionary purchases. Kompas is slow to spend money on above-the-line promotion and looks to invest its marketing resources in direct response sales campaigns that generate immediate responses. Below-the-line marketing communications activity includes the usage of direct mail, faxmail, email, and the use of inserts in business publications. In addition, the firm garners publicity of the firm's products and activities through the contribution of press articles, and press releases.

The Kompas brand has successfully grown itself based on (*often free*) product usage and sampling. Once experienced, the brand tends to become well established in the user's mind. In Ireland, the Kompas brand has in the past benefited from international brand associations, which has reduced the need for local and expensive brand advertising. The company has always had an active sales team, which has been a large component of developing the "brand" over the last 20 years. The role of a sales team per se in developing a brand is probably more potent in a small economy. In the commercial arena the Kompas brand is well known, and has become an industry standard in term of business directories/business information.

The business is very much all year round, with slow periods around Christmas and July. In the month of September 2003 the following figure shows the level of promotional activity undertaken to support the sales effort, (see figure 2).

Figure 2 – Promotional Activities at Kompass

70,000 Kompass Booklets in a Sunday business paper
30,000 Kompass Booklets to Snap Printing customer database
18,000 Phone Pages unlicensed CDs to An Post customers
7,000 “ Celtic Tiger ” brochures to An Post customers
4,500 Trial CDs to Irish Marketing Journal
2,000 Trial CDs to The Sales Institute Members.
2,000 CDs to the members of The Marketing Institute of Ireland
3,500 Trial CDs to the Business Plus magazine
2,000 Trial CDs to Marketing Magazine
2,000 Booklets to Gift/ “ Christmas ” market
3,000 Postcards to targeted potential customers
500 Kompass Booklets to existing Kompass direct marketing customers
Full Page Ad in International Direct Marketing magazine (UK direct marketing market)
PR pieces in Irish Business magazines
Faxshots

The result of this constant marketing activity means that Kompass constantly has enquiries for its products and services. This marketing effort compliments and supports the sales activities of the business. The key to selling Kompass products is pretty basic, find the gap in information that customers need and match it with an appropriate Kompass product. The motivation from a customer's point of view is that Kompass gives them a solution for the type of information they require. In addition each salesperson has a minimum of 600/800 leads for a particular area, region or sector of the market at all times. Through its own advantageous business information systems, Kompass is constantly providing the salespeople with leads to follow through as potential sales. All that was required was the will and confidence to do the work!

As mentioned previously the introduction of the role of a dedicated Sales Manager enabled the Sales & Marketing Manager to focus on marketing. Kompass had always had a good marketing approach but now this manager has had more time to focus on the marketing activities of the firm. Kompass positions itself as a supplier of quality information with quality products. It serves a relatively niche user markets with its main familiarity being in the sales, marketing and purchasing sectors. As a brand name in the business-to-business context, Kompass would be well known with high level of brand recognition. This is mainly due to the fact that the company has, from the start, been consistently promoted to the business community through PR and publicity. Being a directory-based service, there is also a user base for the product that is much bigger than the actual buyer base; this is the case worldwide with such products. Kompass launched a Phone Pages CD, a €39 version of the Irish National Telephone Directories in March 2003. The product was supported Trial CD's (115,000), a 3 week radio advertising campaign, in 150,000 leaflets / inserts. While sales were handled by an external call centre, this significant level of promotion has an “*all boats raised*” effect and greatly increased the general awareness of the company and its services.

Most of the company's advertising and promotion budget is directed towards making the market familiar with its products and thereafter generating product understanding and

response (*i.e. enquiries/sales*). The company tends to use tactical efforts to achieve short-term sales, which usually happens on a weekly basis. A small percentage of sales come from direct orders by phone, email or post roughly only 2% ². A further 20% or so come from inbound enquiries, mainly for books, CD and direct mail. The remainder of the company's sales come from "proactive" outbound selling activity.

Promotional efforts are often tied to particular internal salespeople so that response can be captured consistently and accurately. When a particular mailing was sent out, a specific salesperson would be asked specifically to follow up and target the particular companies/organisations targeted. At the end of a particular timeframe the salesperson would be asked their level of success and this would then be recorded. Typical weekly activities might include issuing a small volume of mailers, a Faxmail shot, and press insert. The majority of responses are received by telephone; there is a subsequent selling requirement once an enquiry is generated and hence the importance of the internal sales team. Over time the continuous outbound communications lead to a growing awareness and broad familiarity with the product range (*e.g. "I believe you have a CD product"*). It also leads to ongoing enquiries from people who are "ready to buy" proving the old marketing dictum that "*it's not necessary to be there when the buyer is ready to buy, it's just necessary to be remembered.*"

Kompass has been increasingly using product sampling for its CD and online services to generate awareness, product experience and enquiries. Product sampling for its CD range is expensive, but effective. Approximately 25% of CD sales are the result of a user receiving/using a trial version. Even the unused trial copies generate important awareness and lay the groundwork for future sales. Trialling is usually linked to specific internal salespeople. The company spent over €35,000 in the 2003 in developing and promoting CD trials. Online trialling was also used for the company's online directory enquiries service and this has generated over €40,000 in new business in a 5-week period.

The company periodically makes product offers available to the market. This, in particular, gets new customers on board who then tend to stay with the service for a number of years. Offers take the form of a; price packages (*bundled value added features, at a set price*), product add-ons, starter price reductions, and bundled media (*e.g. CD and online combined*). A huge challenge is to get potential users to act now. The Kompass offering is generally considered "useful", "good", "interesting" etc. and even necessary. But the market development challenge lies not in achieving these responses but in getting the prospects to act now, creating the purchase intention.

The Core Problem - The Culture of the Organisation

SMC, the management consultants systematically looked the nuts and bolts of the business, assessing their operations, the interaction between departments, and the entire business as a whole. From their analysis, SMC found that the majority of sales for Kompass come from a relatively high number of low values transactions, both from new and repeat business. The key success factor was having a systemised approach to marketing and selling. The marketing side of the business generates the awareness, the familiarity and the understanding of the business. Whereas the sales side of the business focuses on lead management and most importantly, sales conversion. The sales aspect involves managing the following:

² The above figure is rounded to the nearest percentage point.

- The *numbers* – knowing the gross numbers needed to “feed” the system
- The *ratios* – sales pipeline / prospect movement and conversion rates (weekly)
- The *skills* - necessary to generate strong prospects and sales.

Firstly, like with all sales, it needs sales prospects in order to survive. Without potentially interested purchasers, the system collapses. Marketing's job is to try and feed the organisation sales prospects (*i.e. individuals or organisations who may purchase a Kompass product*). Secondly, the management of the sales pipeline is vital. Knowing exactly where a prospect is in relation to committing to a sales order. A sales team needs to focus on conversion goals, getting a customer to commit. Finally, in order for a firm to convert prospects into confirmed orders requires a strong sales culture. By providing sales staff with the necessary skills, through effective training, and motivating them to achieve their sales targets. Furthermore the firm has to focus on recruiting motivated individuals with the necessary qualities and skills suitable for the modern sales environment.

Kompass had developed and installed excellent sales systems. They sought to constantly try and improve the sales skills of their staff through training and constructive feedback. However the culture of the organisation was not designed to maximise sales. The company had a number of high achievers but equally it had a core of consistent non-achievers, who were at best achieving only 60% of their targeted sales. This had not affected the company's performance to date as senior management each year supplemented the salesforce with extra “*big ticket*” sales.

A closer examination of the salespeople showed the following:

- *A lack of responsibility for their individual sales target.* Sales people never like having targets and, where possible, try to avoid the responsibility for achieving their target. This very often applies to senior sales and marketing people as well, but they seldom survive in any organisation.
- *A movement away from the Kompass sales system.* At Kompass there was a way to perform. As a Kompass field salesperson, the typical system involved making up to 20 sales calls per week to prospects. As a member of the telesales team you would try and make 95 contacts per day. Failure to achieve sales usually meant that the salesperson, either field or telesales, were not following the correct sales procedure that they had been shown.
- *A lack of belief in themselves to achieve targeted sales.* To achieve a sales target requires belief, without that basic belief in yourself, you will fail. All salespeople need to have the confidence and belief that they can succeed and meet their sales targets.

Complacency can creep into any sales organisation after a period of time. Sales personnel can become lazy in time, they do enough to survive and are happy once they are reasonably well paid and can live on their financial package. This is where serious problems can begin. They begin to reject responsibility for sales targets and do what they want. To be a highly successful salesperson requires high energy, drive, determination, belief and they must be a self-starter. At Kompass the salespeople who were recruited portrayed these attributes but had not lived up to management's expectations. They had begun to do less sales calls, work at a slower pace, and expect management to take responsibility for their sales targets. They had begun to adopt an “*Order Taker*” type sales mode rather than “*Order Getter*” sales mode.

The company needed a change, if it was to grow and prosper. Key issues needed to be addressed. The changes that are required are as follows:

- Sales people have to take responsibility for their sales targets.
- Sales people must be held accountable for targets.
- Sales people must work hard and work to a system that has a proven track record within the organisation.
- Sales people must be removed for non-achievement of targets.

It was SMC's view that if Kompass Ireland was to achieve its goals of greater growth, it needed to tackle this fundamental issue. Kompass Ireland accepted this view and set about addressing this situation with the assistance of SMC. A sales & marketing plan to rapidly grow the business in a ten month period.

Changing the Sales Culture within the Organisation

The company set about changing its sales culture. A new position of "*Sales Manager*" was created. Up until then the company had a "*Sales & Marketing Manager*" who was responsible for all sales and marketing in the company. It was decided that if the company was to obtain the necessary growth, it required it would have to appoint a person to drive the sales. The appointment of a dedicated "*Sales Manager*" also gave the existing "*Sales & Marketing Manager*" more time to concentrate on marketing activities and to focus on large sales. The new position of a dedicated sales manager focused on building a profitable customer oriented sales team, hiring the right type of people, training sales personnel, guiding personnel to achieve targeted performance levels and controlling the activities of their sales team.

The role of the Sales Manager was to address the main sales challenges that were present within the organisation. This involved;

1) Instilling belief back into the existing salespeople.

All salespeople who joined Kompass Ireland were regarded as "*high achievers*". They went through a rigorous sales interview process prior to their appointment and were carefully selected. They had shown at interview their ability to achieve sales and had proven this in their work. The problem was that they had begun to question their ability. Self-doubt had begun to creep into their mindsets. They needed the necessary morale support to change this and to re-ignite their natural drive and sales ability.

2) Insisting that individual salespeople took responsibility for their targets

It was important to insist on all salespeople achieving targets. Having targets to aim for is crucial in instilling motivation within the salesforce personnel. It determines the level of effort put into the sales process by the salesperson. These targets have to be "*S.M.A.R.T.*". This acronym stands for Specific, Measurable, Achievable, Realistic and Timed. A target must clearly be specified, so that it is understood by the salesperson, as to what is exactly required. Any goal must have some metric from which it can be measured; otherwise the salesperson will not be able to distinguish whether they are doing poorly or well. The target must be achievable by the salesperson, so that they realise that it is their full responsibility if this target is reached or not. Furthermore, the target must be realistic given environmental conditions, and considering the company's resources. And finally, the target or goal must have an established timeframe in place; otherwise the value of objective setting is lost. Having targets within a sales team helps provide standards, so as sales person's performance can be evaluated. They can help

guide behaviour, help focus on corporate objectives, and can be motivational for the salesperson.

3) Insisting that the Kompass sales system was applied

The sales role in Kompass is not long in terms of hours involved in actual selling activities, as salespeople are selling to the business community, who are only available during normal working hours. However, it does require high energy and in order to maximise this energy, salespeople were required to report at the beginning and end of the week. In addition, support, in terms of coaching internally or in the field, was available at all times during the normal week. There was also a major emphasis on appointment making and “*doing the numbers!*” For example, Kompass field salespeople were expected to make 20 appointments per week. An analysis of the weekly call sheets prior to the appointment of the Sales Manager revealed that each field salesperson was only making 10 appointments per week.

4) Provision of further sales training

Group sales training to address product issues, sales techniques and instil the necessary confidence and motivation to do the work. Sales training by an external sales training company was introduced. Their approach was adapted to suit Kompass's requirements. Training to help communicate information (e.g. *new product information, sale techniques, new company policy etc.*). It can help create positive attitudes, trying to boost morale and motivation of staff, hopefully boosting productivity. Most importantly it can help change the behaviour (e.g. *bad sales practices*) of one's sale team. Sales training is vital for every sales organisation. The company used frequently refresher training utilising new trainers, new techniques and new training approaches.

5) The introduction of incentives

Financial and other incentives (e.g. *gift vouchers, wine, weekends away*) were introduced in order to motivate and incentivise individual salespeople. The provision of incentives offers great flexibility to a sales manager, and is very useful in obtaining short-term objectives. However, there are some pitfalls to having incentives for a salesforce. Some view that salespeople are paid to do a job and that no further incentive needed, it can be seen as juvenile, it can distort “natural” sales - bunching around the deadline for sales before and after, continual losers in the contest suffer loss of morale, it may become obsessive, and finally, it may weakening team spirit due to intense rivalry (e.g. *no sharing of information*).

6) Introduction of a Telesales Team

At the start of the process the sales team consisted of seven field sales people and one telesales salesperson. A further analysis of the telesales person's role revealed that this role was relying on inbound sales and was not proactive in generating sales. It was decided to develop a Telesales Team that was proactive in its selling, to achieve significant sales. Kompass now had two sales teams a Field Sales Team and a Telesales Team, dealing with both inbound and outbound sales activities. This introduced a certain amount of friendly rivalry between the two teams, which encouraged sales and a healthy competitive environment.

7) Develop of weekly activity for Telesales Team

A telesales system for telesales salespeople was developed and required each telesales person to contact 125 potential clients per week. A weekly sales target similar to field sales was also introduced.

Salesforce Recruitment Policy

Because of the change in culture, the insistence on achievement of targets and the increase in the number of salespeople from 8 to 17, there was a need to have a constant recruitment drive for salespeople. This was due in part to the pressurised nature of the sales role in Kompass. On average a salesperson worked in Kompass Ireland for up to two years and then moved on to another sales role. The age range of the sales recruits was from 19 to 30. They are articulate young women and men who are driven and highly confident but with no or limited sales experience. After a period in Kompass they are skilled in selling and able to move on to a better role, with the sales experience that they obtained. Having Kompass sales experience is seen by many companies as advantageous. Very often good sales people were approached by companies to whom they were selling or by leading recruitment agencies. The management had developed very good working relationships with leading recruitment agencies and also advertised for salespeople through the press and web. High staff turnover is a major issue in any pressurised sales environment. Some sales personnel at Kompass left due to reasons such as they felt the role was too hard, gave up, basically would not do the required work or were simply unsuited to the role. Through all media and recruitment agencies. A typical salesperson is a self-starter, highly motivated and has basic sales ability. The process involves two interviews and included a role-play in the second interview.

Managing the Sales Force

The key to achieving success with any team requires leadership. In a sales environment and in particular a high-powered environment it is very challenging. The key is to ensure that salespeople are working to their maximum performance at all times. If the sales manager at Kompass was too stern, the salespeople would not perform well. Equally if the sales manager were perceived to be too soft the salespeople would take advantage of the situation and not achieve their true potential. In Kompass, the role of the Sales Manager was crucial in order to achieve success. Considerable time was spent on setting areas, issuing leads, renewals and monitoring hourly and daily performance. The reason for this was not lack of trust but to ensure the salespeople were doing the right things to achieve high sales in the minimum amount of time. Equally it was important that the sales people understood what was expected of them at all times. The nine to five workday period is relatively short if you are a high achiever so it was important to maximise this time. In order to do this effectively the sales manager had to develop a personal relationship with each salesperson in order to maximise their individual performance. This required considerable time, skill and effort.

Over time each salesperson in Kompass began to take responsibility for their individual performance and work intensely and effectively under pressure. This led to success and this built confidence, which enabled the salesperson to repeat the performance. The sales manager's role with these high achievers was then one of coach, motivating and encouraging performance and occasionally suggesting or offering specific sales skills or techniques. It must be said that not all salespeople who joined Kompass were successful and achieved their sales targets. The approach, which Kompass developed in the ten-month period, does not suit all salespeople. Some did not want to, or were unable to achieve results. This does not mean that these salespeople are not good but were just not suited to the Kompass system.

The Outcome

Kompass Ireland achieved 50% growth in sales in the 10-month period, subsequent to the changes. Additional sales staff were recruited yet this growth was achieved without sacrificing the net bottom line position. The salesforce prior to this period were achieving only 60% of target. Anyone below 90% in this period was not kept on at the company. The increase in the number of salespeople was also a factor but the main reason was due to insistence that targets were achieved. Training and personal support was also given and trying to instil a belief in the individuals.

The question is, “Where to now for Kompass?” It is important to consolidate its position and achieve normal growth rates of approximately 10% over the next two years. It must also review its sales & marketing systems to adjust them for its larger customer base and identify new opportunities to cross sell. It also must maintain its sales systems and focus more on marketing, without hindering this new sales culture. Kompass’ main strength is its capabilities in gathering, updating, classifying, organising and maintaining of information and then distributing the data in a range of formats to suit different user groups. While the data management methods might change over time, the market expects the company to be competent in keeping information up to date and then making it available in easy-to-use formats and to be of a type that assists them in developing their businesses. The company’s core asset – in addition to its people and its intellectual property – is the database that have been developed over the past 18 years in Ireland. The company’s second largest overhead is maintaining the database and this is largely a fixed cost. The strategic task is therefore to maximise the return on this asset through product innovation and distribution, while minimising the fixed overhead of the business.

Case Questions

- 1. Discuss what the typical causes of salesforce de-motivation are.**
- 2. How can the Kompass sales manager motivate his or her team?**
- 3. Critically evaluate the new sales strategies employed at Kompass.**
- 4. Discuss the type of sales strategies that could be used to boost the productivity of the Kompass sales team.**

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