



Neil Rackham

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## Selling in a Down Economy

During the big recession of the 1980s, McKinsey—the management consulting company I was working for—gave some great advice to their clients: pare back almost every corporate function except sales and marketing. General business opinion was on their side; Thomas Watson himself, the legendary chairman of IBM, was reputed to have said, “I would rather cut my throat than cut my salesforce.” That was more than 30 years ago. Is the same advice good today?

The world has changed, and so has selling. Thirty years ago, the main function of a salesperson was to communicate value—show how a product or service was superior to its competition or how it could do a better job of meeting customer needs. Today, the primary sales job is to create value—to add problem-solving and creativity, so that the customer buys into the advice and expertise of the salesperson just as much as she buys into the product.

This shift in role has been greatly accelerated, both by the recession and by the Internet. Customers no longer value the “talking brochure” salespeople who explain products. We surveyed buyers to find how salespeople created value from the customer’s point of view. None of our respondents said that salespeople who talked about their products created value. On the contrary, product pitches were the number one complaint from customers, who had comments such as, “It’s quicker, more convenient, and more objective to go the Internet than to listen to a product pitch.”

In the average B2B salesforce today, about one-third of salespeople are talking brochures. They have survived because, in the boom years, products and services sold easily and order-takers could make a modest living, despite their lack of skill. Today it’s a different story. Customers don’t want to see salespeople who create no value, and companies can no longer afford to keep these nonperformers. Selling harder may have worked in the 80s, but it doesn’t work now. The talking brochures must be retrained, or they must go.

Despite this gloomy conclusion, there’s some good news here. As most sales trainers have found to their cost, talking brochures frequently have deeply ingrained behavior patterns and, in the past, have proven to be highly resistant to skill improvement. And who could blame them? Why alter your behavior if what you are doing continues to work?

Recession is a powerful stimulus for behavior change. Many traditional salespeople today are staring failure in the face. Their results are mediocre and are falling month by month. The option of moving on to a position in another company is made harder by the economy, so they have no alternative. The time has come to rethink the way by which they sell.

A recession is a great time to be in the sales training business. It’s no accident that some of the most dramatic results that I’ve achieved as a trainer, in terms of behavior change and bottom line results, have come from work I’ve done in economic downturns. There has never been a better time for companies to invest in retooling their salesforces. Customers want value-creating salespeople, the economy demands it, and the sales training profession is in the ideal position to deliver results that can change company fortunes.

### Neil Rackham

Visiting Professor of Sales Strategy,  
Cranfield School of Management and  
Visiting Professor of Sales and Marketing,  
Portsmouth University, England