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The Canterbury Sales®

The Sacred Trust of Sales Leadership - Helping Resolve the Problem of the Emperor's Old Clothes

By Andy Gole

The Emperor's New Clothes teaches valuable life lessons. Charlatans persuade a gullible, clothing-conscious emperor they can produce the finest suit, invisible to anyone stupid or unfit for their position. The emperor won't admit he can't see the clothing and his courtiers act similarly. Ultimately, it takes a child to proclaim the truth: he is wearing no clothes.

Lessons learned include:

- Our vulnerability to foolish behavior, even by leadership
- Skepticism's value regarding new, untested ideas
- The danger of "group think" – emulating leadership without thoughtful analysis
- Sometimes only the fresh eyes of innocence sees the truth

These lessons inform our value systems, guide behavior and protect us from foolish errors. Unfortunately, not heeding these lessons – particularly "healthy skepticism" – blinds us to the "Emperor's Old Clothes" paradox: when is it time to change, to acquire "New Clothes"?

Here's a central leadership test: knowing when to partially or completely change the paradigm. The downside of risky investments blinds us to necessity – discarding a dated paradigm. Vested interests – defending the Old Clothes – magnify leadership's resistance to change. This problem – the "foxes guarding the henhouse" – often requires inviting outside advice to guide change.

It's time to discard the Old Clothes when sales and profits decline consistently. But effective responsiveness is difficult during an advanced state of business decline.

A classic example of a vibrant business declining – failure to discard the Emperor's Old Clothes – is Ford's Model T commitment when facing shifting consumer demand. This allowed GM to create its empire, almost bankrupting Ford.

In his essay, "Marketing Myopia," Professor Theodore Levitt of Harvard warned about the danger of focusing on product form versus market demand. In this regard, IBM's rejecting xerography to protect typewriter sales was "marketing myopia," protecting the Old Clothes. Typewriter sales were destined to decline. IBM's only real option was would it meet market demand with a new technology?

IBM failed this test, failed to discard the Old Clothes.

The challenge of when to discard the old paradigm and what to substitute is complicated by uncertainty. We can't know the future. Resolving the challenge requires testing and even creating the future – with a portfolio of future-oriented strategies. Strategies for "communicating with (and) testing the future" are discussed at length in the book, *Competing at the Edge*.

These strategies include: improvising; strategic alliances; maintaining a portfolio of relentless low-cost probes into the future (research, test markets); involving futurists; and, finally, time pacing – leading the change in markets. 3M exemplifies time pacing: requiring 30 percent of profits to come from businesses less than five years old.

The best way to control the future is to create it. Everyone must engage in future-oriented leadership. The larger the organization, the greater the impact of leadership's decisions regarding their sacred trust of

knowing when and how to discard the Emperor's Old Clothes.

Often, top management acts on insight without tapping sales leadership. This denies them critical, necessary and available sales resources to help resolve the Emperor's Old Clothes challenge.

As markets change, sales leadership's tasks include: (1) maximizing revenue and cash flow from existing markets; (2) developing a pipeline of serious, consultative future-oriented conversations with clients and prospects to help develop and test new concepts; (3) leading the charge into new markets; and (4) time pacing the change – changing faster to stay in control

When sales leadership is too busy – or committed to the Old Clothes – it can't prepare the appropriate New Clothes. You may require outside expertise to help guide the process.

Sales leadership can achieve a huge, low-cost impact by selecting the proper future-oriented sales process and sales management system – a process that "talks to the future." Profitable sales increases of 25-50 percent or more are possible with limited investment in a future-oriented sales process. (Contrast this with the investment in plant, equipment and inventory.)

This is sales management's sacred trust: to achieve a huge sales impact with limited investment; to help frame the "discussion with the future"; to make necessary sales process changes by knowing when and how to discard the Emperor's Old Clothes and embrace the appropriate New Clothes.



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