

Q&A with Mike Schultz, Co-President of RAIN Group providing Sales Training Programs and Solutions that enable Business and Professional Services, Financial, Technology, Industrial, Manufacturing and Healthcare Companies to Maximize their Sales Efforts



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CEOCFO: *Mr. Schultz, would you tell us the concept behind RAIN Group?*

Mr. Schultz: The concept behind RAIN Group is that there is massive, untapped potential in almost all of the businesses that we know about, to provide more value to the world. We will ask people, "Are there things that your customers should be taking advantage of, which they are not taking advantage of?" They will say, "Yes" and we will say, "Why?" They might respond with, "Because they do not know about it and because they do not know they should be buying it from us". These are problems of selling. We work with clients to unleash their sales potential. If all of the customers out there were buying all the things they should be buying from you, your sales would be soaring, and for the most part, that is a challenge in sales. We teach companies what they need to do to maximize their sales and then we work with sales teams. Whether they are full-time sales teams or professional services providers like consultants, accountants, or lawyers, we make sure they are selling to their potential.

CEOCFO: *Do many companies recognize when they are not doing something right or is it just considered part of business that not everything will get the attention that it should?*

Mr. Shultz: I think that for the majority of businesses, it is not that they are not doing something right; it is that there are possibilities for improvement, but they can only do so much. Imagine a company has 100 sales people. Most of the time you can talk to the CEO and ask them, "Out of your 100 sales people, how many are awesome?" They will say 10 or 15. We would ask how much more are they selling than the rest and they will say three times as much. The question is: What can we do to move the bell curve over? Maybe not everybody can sell three times as much, but if you could just raise the average up 15 percent, a lot of companies would have the best year they have ever had because you can work with the sales team and do certain things to be the tide that raises all boats. Many people that run their companies are great at whatever they do, but they are not necessarily experts on what it looks like to make sales work and what it looks like when top performance happens, and what the best companies are doing to unleash sales performance. It is a little niche area of folks like us that care to study, investigate and bring to our clients what those things are and to apply them at the right time of their business maturity cycle to make sure that they are going to invest in the areas when they are training their teams to get the best boost in sales.

CEOCFO: *When you are engaging with a client, what are you looking at to understand what they need to do?*

Mr. Shultz: As you peel back the layers of the onion of what could actually drive sales performance and if you know what those things are, there are a lot of things that you can look at. It is not necessarily a more complex way, but a more

sophisticated way to drive sales. For example, a company that might not necessarily be deep into their journey of understanding sales. We work with some of the largest companies in the world from Hitachi to Apple to Johnson & Johnson to Otis Elevator, so we work with some big, sophisticated companies. We also work with companies that might be a manufacturing company of good size that might have 50 sales people and they call us and tell us that their guys do not know how to sell and they need sales training. A less sophisticated sales trainer might say, "Great, we are coming over with our sales training class." Well, that is not necessarily good enough. What is it that they are not doing well? Are they leading full needs discoveries? Well, no they are not leading full needs discoveries. They are jumping on the first buying signal. This means they should be more patient and ask questions across the board regarding how they can help so they can bring more value. They will say, "Yes, we need training on that." We will say, "Wait a minute, besides just doing full needs discoveries are there things that you should be selling that your sellers are not selling because they do not know how to tell the story or they do not know how to inspire with an idea?" Then they will say they need training on that too. We will ask them if they have deals break down at the negotiation time because right at the end, somebody else sweetened the deal and they lost out. They say they need training on that too. You can go across the sales sector. Maybe they are not filling the pipeline and you have to find out why. Maybe they need to grow their existing accounts instead of going after new companies. How do they run strategic account management to penetrate, expand, and protect that account from others? There are a lot of things we can do. Sales management is one of the greatest levers of driving sales success to make sure that the sales managers are teaching their people what to do. Finally, we ask questions about how their people concentrate. If they have an hour or two free, are they just looking at phones or computers, checking their email or Facebook, buying something on Amazon, or checking sports scores? We need to teach them how to work so when they sit down, they can be most productive with their time and day and drive the most important thing forward. If you can understand all these various levers that can move sales performance, the question is working with an individual client to find out which of these areas are going to have the best improvement and then meet them where they are with their cultural sophistication, maturity, and what their sales people already know to make sure you take them from where they are to the next best step.

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CEOCFO: Are people surprised that better sales reaches into other areas like technology?

Mr. Shultz: Yes, for sure. It is not just having someone with the ideas and the skills of what to do. There is a lot of sales training. Some people will say, "Well, you have to ask open-ended questions and you have to ask good questions." Those are not bad ideas, but then sales trainers go into their trainings and ask participants "What sales questions can you ask?" Then all the sales people try to come up with questions and write them down in their workbooks. The instructor says that they are great questions, save them, and ask them. Well, that is terribly inefficient, and you are relying on sales people with varying content development knowledge to come up with all the questions. Instead, sales trainers should come up with the questions beforehand and give them to sales people. Rather than telling them to ask good questions, tell them which questions to ask. This is how you do a thorough needs discovery. When they are on the phone and talking to someone, they forget that they have the questions. You can use technology to put them in your CRM system, so the first five questions come up and it is like starting a new discussion. You say, "Let me ask you a few questions." You click one, two, three, four, and five, and then it provides you more questions. You can use technology to enable sales and drive it forward. I think our world is so intertwined with technology. On the one hand, the sky is the limit for the possibilities. On the other hand, it is a massive amount of noise and everyone is drinking from a fire hose trying to handle all the technologies and tools. If you can get your technologies stacked onsite, it actually helps people sell. The combination of having people with the skills and knowledge plus technology that enables them can help them sell better.

CEOCFO: Where were your biggest challenges?

Mr. Shultz: When we are brought in and told this is going to be a tough one. You know the one about how many psychologists does it take to change a light bulb, the light bulb has to want to change. That light bulb could be the individual people. We have gone into sales training classes where it was a forced march. People were there because they were told that they were not doing well, and they had to do this training and they were grumpy for two days. If that is the case and those light bulbs do not want to change, then that does not help. Oftentimes, we are brought in by an excited sales manager or vice president who sees all the possibilities and then they go to senior management and say, "Here is what we need to do to reinforce this and make sure that actually works in our environment." The senior manager will say they do not think so, they will let you bring in the trainer, but you cannot do anything to actually make it stick, work and transfer to the job. People either call us and say they want to do some sales training or they call us and say they want to

make sure sales is really working well and they ask us what to do. When they call us for sales training, it is usually something like they are having a conference in July and they have four hours and they would like to fill that time with some sales training. Is that going to unleash sales potential or is it going to fill four hours? If someone calls and asks what they need to do to drive this forward and to make sure they are better in 18 months than they are now, and they really want to raise the bar on how well they go to market with their teams and sellers; well, we can get a lot done there. It is about leadership, culture, and people's desire to step on the gas and do something different.

CEOFO: *Can you tell pretty quickly who is a good fit for you?*

Mr. Shultz: We get brought in by big companies and there will be some areas where it is smooth sailing and some countries where the leadership is behind it and it is awesome. On the other hand, we have other countries where the leadership couldn't care less, but they have to do it. We are seeing double-digit percent improvement in our test groups where we are putting certain people through training and programs versus others. Then in the countries where the leadership is not behind it, we are not seeing that much because it was a forced march. Yet in the same company we are having great success 600 miles away in a different European country because they are serious about it.

CEOFO: *How do you help sales people from falling back in their old ways?*

Mr. Shultz: First is who gets into sales training? It's usually people who have sold for 20 years, they were the vice president of sales, and they are done with big company stuff and want to go out on their own and start a business. The next thing you know, they are pretty good at a few things and they have some guys in a sales training company. They are great at the sales training, but they were never an education company, they were never in change management, and they never understood the organizational dynamics of taking people from one place to another and having it stick. Just because of my background and business partner's background, that is the world that we came from and we said, "Yes, we are going to have the best intellectual capital and we do that through our RAIN Group Center for Sales Research. We are going to have the best education system." The keys to that are actually defining what you want the change to be and do not go into training unless you know what behaviors you want to be different and what business results you want to be different. You have to think in advance about these things. Secondly, you have to design the training to actually produce those things and not to produce something else. Thirdly, have component and drip reinforcement learning so people do not forget. Here is a technical term from training called the Ebbinghaus curve of forgetting. If you go through a live training, you might retain 90% the day you walk out and three days later you are at 60%. Then, days later you are down at 40%. If you do not get it reinforced, you do not even remember the training. This means you have to design the learning so concepts are reinforced and people do not forget. You have to work with sales management and coaching to build plans for what people are going to do to observe them and their new behaviors and to set the organizational metrics and milestones so that you can actually measure what they are doing. For example, we teach companies how to grow their existing account. An account might be \$10 million, but you want it to be \$25 million or maybe larger. Sales people would create plans to build their accounts, and there would be excitement about what they could do. Then 60 days later, only a few people actually implemented it. They still got huge ROI because they did not pay us millions of dollars for the training, but 50% to 70% of the people were not doing much with it. We institute a process called the VC Test. If you have ever seen Shark Tank, you know what I am talking about. A strategic account plan is essentially a plan to grow a business. Instead of just doing it at the training and then sending them off, we have them present to senior management 30 days after the training. Over the course of 30 days, this makes them really work on their plan because they know they are going to have to present it to senior management. Once you present it to senior management, you have it written, public and stated what you are going to do. All of the research about actually doing something and commitment, says if it is written, verbal, and public, the chances you are going to do it are much higher. Then you are also presenting it to your leadership team and they are required to say they approve it or not right there. They are not allowed to dawdle either. Once it is approved, it is set in place as a priority for the team to go execute. The execution felt better, the education got better, the commitment got better and then we would have coaching meetings, which we called pit-stop meetings to make sure people were actually taking the actions they were supposed to take to grow the accounts. We did this with one of our accounts and they achieved around 35% average growth in their accounts from the previous year. We did the VC Test and it really pushed their account. The next year they went down to 10% account growth because they did not do the VC Test. You can implement change management along the way and work with people to be different and those organizations where the light bulb wants to change and they are willing to do what needs to be done to achieve these kinds of big revenue growth successes, we can make a ton of headway.

CEOFO: *Why do you enjoy writing books?*

Mr. Shultz: I like writing books because when certain things work over time, and they get honed and tighter and become their own special thing, in our industry you do that for a year or two or three and things get stronger and stronger, but you are not having the impact on the world that you could have by going client to client to client. Once you put it in a book, you

make it cannon. It is codified into something that becomes a system that everyone can access. This can be in books, research reports, or white papers, but a book is still the end destination for intellectual capital to be canonized. Once it gets into a book, you can share it with the world and have a much larger impact. For example, the last three years we have been running a program with our clients called The Extreme Productivity Challenge. We had one client that achieved a 31% increase in sales activity just because they were able to cut out wasted time and taught their people how to concentrate better while they were selling. Another client achieved a 16X ROI in four months based on what they spent on the program to revenue. For another client we created \$100 million in pipeline over and above what the company would have generated without doing the program. We have been doing these and delivering and honing them and now we are doing a massive research report on the kinds of productivity we have been teaching so that we can validate it with a study through the RAIN Group Center for Sales Research. If we find interesting stuff, we will write a book and it will be exciting. You spend two, three, or four years working on something and you see the things that work and they work better and better. You get excited about sharing it with the world.

CEOCFO: *Why choose RAIN Group?*

Mr. Shultz: If you want to unleash your sales potential and believe you should be selling more, give us a call. Especially if you are a mid-size and larger business. Our headquarters are in Boston and we have offices in Geneva, London, Mumbai, Sydney, Johannesburg, Toronto, and Bogotá. From the perspective of what we bring to the table, it is the best intellectual capital through our research, the best education system which makes the training stick, work and transfer to the job, and we focus on results. We want to make sure you grow the business and metrics the way you want, and we will work with you to drive toward achieving those goals.

