

THE GERMAN ENERGY-INDUSTRY: NEW CHALLENGES FACING SALESFORCES

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ABSTRACT

The study is to show how German sales personnel are expecting the changes in the energy market and what they think about the need for internal adjustments of each sales level. Subsequently the results are evaluated with a scoring model and recommendations for improvements are derived.

INTRODUCTION

The German energy market is a good example of how a classic commodity market can be transformed into a market with many differing customer expectations, product portfolios and market rules through the emergence of new product categories initiated primarily by competitors from other sectors. This means a radical change for salesforces so they can respond appropriately to these new market needs. The design of the study was determined on the basis of secondary studies, the relevant literature and interviews with experts. The target group of the written questionnaire were sales personnel at all levels. Interviews were conducted using a structured questionnaire. Before starting field work, the questionnaire was checked by experts for consistency and validity in a pre-test. Both bivariate and multivariate procedures were used for evaluation.

RESEARCH OBJECTIVES

The findings from this study are intended to answer the following questions:

- What specific market changes are expected by salesforces as a result of expanded customer needs and the new competitive environment?
- What adjustments are considered necessary regarding sales organisation and the general orientation of salesforces?
- To what extent must the skills profile of a salesperson change in order to respond successfully to these new challenges?
- Is there a general pattern to respond to certain changes in the market?
- Can certain patterns of adaptation be identified, independent of whether changes initiated by customers or by competitors are expected?
- Are there any inconsistencies between the expected changes to general market conditions and the necessary measures to adapt salesforces to these changes?

In a second phase, recommendations will be elaborated on the process of organisational adjustments to the salesforces in companies, based on the results of the first phase.

FIRST RESULTS

The first questionnaires evaluated show that energy providers are to some extent anticipating very considerable changes in market conditions. However, the finding that changes caused by competitors are frequently perceived as being more prominent (63 percent of all sales personnel surveyed see a clear to very clear increase in importance) than changes caused by customers (41 percent of all sales personnel surveyed see a clear to very clear increase in importance) not necessarily expected. This sample has already shown that reaction patterns differ. Any persons surveyed see the significant need for improvement. This includes sales support as well as the competences of the sales personnel. The goal is to understand the market and the customers better to deal with the changing needs in the best way possible.

The central evaluation section lead to causal chains according to the following example:

- Need for advisory services increases significantly
- Significant need for change regarding customer-orientated sales organisation
- Very definite need for change in processing data for sales presentations
- Importance of identifying customer needs will increase very significantly

Furthermore, connections will be identified which will lead to other paths for development. The more clearly differences can be identified and understood, the easier it will be to derive individualised recommendations for action. This means changes in sales organisation can be oriented to the skills of sales personnel and supplemented with individual training plans.

References Available on Request