

The Application of Neuro-Linguistic Programming in a Sales Process Context

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Abstract

This paper seeks to explore how and why a focal firm would invest in Neuro-Linguistic Programming (NLP) in a sales process context. Preliminary qualitative data from a longitudinal case study is employed. The case demonstrates a way of applying NLP that *not* only improves the relational skills embedded in each individual salesperson, but also the relational skills of the whole organisation *per se*. This leads the authors to argue that this is a practical example of applying a soft assembled strategy and an example of a company that found a way to create more with less!

Keywords: Sales Process, Neuro-Linguistic Programming (NLP), Interpersonal Relationships

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Introduction

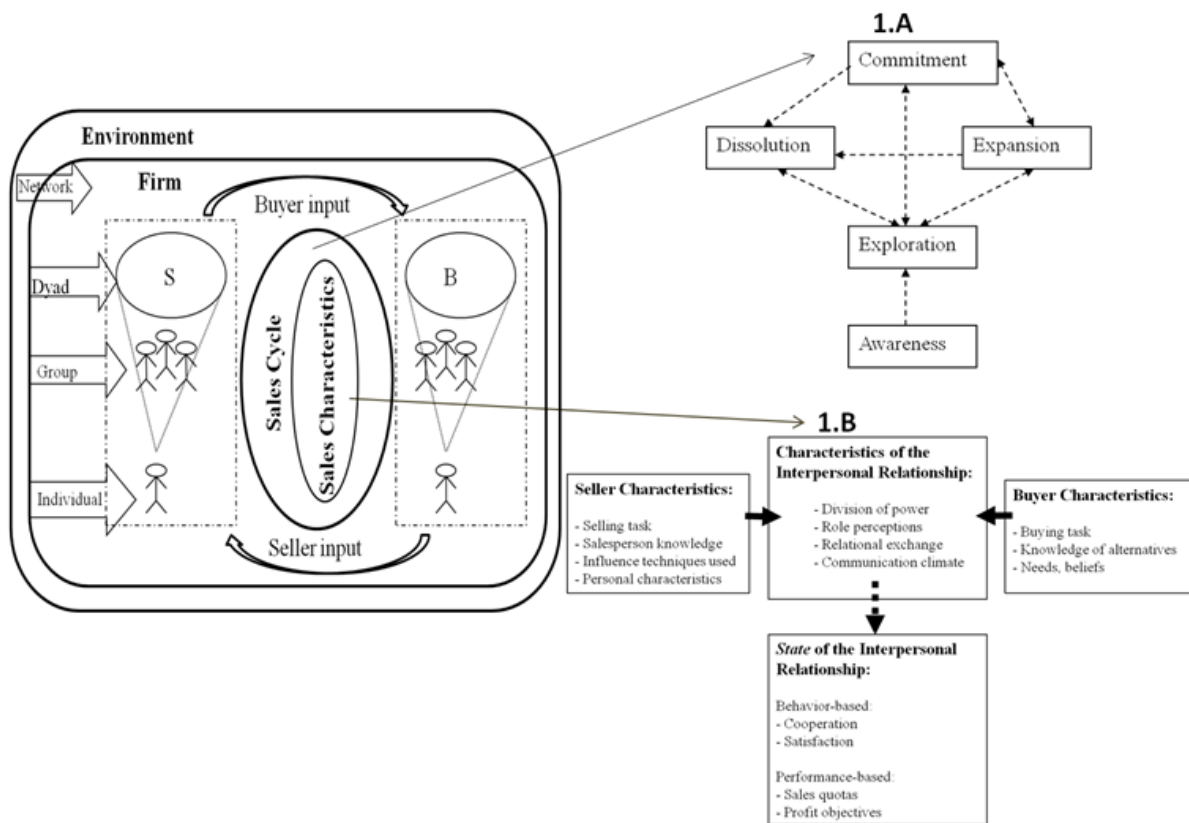
Researchers within the field of selling recommend improving the interpersonal skills of sales people. Hence, published sales literature suggests that sales people should be e.g. adaptive (Giacobbe *et al.*, 2006, Jaramillo *et al.*, 2007), performing relationship selling (Beverland, 2001, Frankwick, Porter, and Crosby, 2001), good at perceiving emotions (Kidwell, McFarland, and Avila, 2007), creating rapport (Campbell, Davis, and Skinner, 2006), and customer oriented (Schwepker, 2003). Also in *practice*, businesses spend large sums of money on NLP training of their employees in the quest for improving their relationship skills level. Thus, NLP is one of the world's most popular forms of interpersonal skill training (Tosey and Mathison, 2003). Particularly in selling, NLP is applied and proclaimed to be of great value (Jakobsen, 2009; Nickels, 1983; O'Connor and Shephard, 2001).

The paradox is that despite researchers prescription of interpersonal skill enhancement in selling and NLP's proclaimed value in selling, academic literature has only briefly touched upon the particular subject of NLP, though such study has been advocated on previous notes in the literature (Tosey and Mathison 2003; Wood, 2006; Yemm, 2006). To address this call, this paper attempts to explore NLP in a sales process context. Formulated into the research question, the paper seeks to answer the following: *How and why does a vendor company apply NLP in a sales process?* In order to address this research question, a qualitative research methodology has been chosen and utilises preliminary data from a longitudinal case study. Secondly, the paper builds on the earlier work of Borg and Freytag, and their conceptual framework focusing on interpersonal relationships in a sales process (2010).

The Two Key Concepts: the Sales Process and Neuro-Linguistic Programming

The "sales process" concept can be traced back to the 1920s sales literature and constitutes one of the oldest paradigms in the sales discipline (Moncrief and Marshall, 2005, p. 13). A range of sales researchers have tried to capture the complexity of a sales process (Barber, and Tietje, 2008; Dubinsky, 1980; Long, Tellefsen and Lichtenthal, 2007). However, the conceptualisation which will be applied in this paper originates from the work of Borg and Freytag (2010). Their framework (figure 1) focuses on the interpersonal relationships in a sales process and suggests that the interpersonal relationship notion is comprehensible from four levels or perspectives in a sales process: *environment*, *firm*, *sales cycle*, and *sales characteristics*.

In figure 1, the **environment** level makes up a complex adaptive system (Wilkinson and Young, 2002) with a multiple amount of interpersonal relationships potentially influencing the sales process (Haakansson, 1982). The **firm** level conforms to its own smaller dyadic structure. Here the interpersonal exchange emanates from the various inputs exchanged among the individuals, the groups, and the S (Seller) and the B (Buyer). Every input has the potential of influencing the sales process.

Fig. 1. Conceptual Framework: Interpersonal Relationships in the Sales Process

The **sales cycle** level illustrates the evolutionary perspective of the sales process. This sub-model (1.A) shows that the interpersonal relationship varies across the different stages in the sales cycle and that the sales process has the potential to go forward or backwards in a cyclic manner (see 1.A). The factors influencing where in the sales cycle the relationship is positioned is given by the perceived *state* of the buyer-seller relationship. This *state* notion can be understood via the final **sales characteristics** level (1.B). Meaning that both the seller and the buyer characteristics influence the characteristics of the interpersonal relationship and thereby the state of the relationship (see 1.B). For an in-depth description of the framework we refer to the article by Borg and Freytag (2010).

The paper's second key concept "Neuro-Linguistic Programming" (NLP) has an eclectic theoretical approach and draws from the field of psychology and linguistics (Bostic St. Clair, and Grinder, 2001; Dilts, 1983). NLP was originally developed for use in a psychotherapeutic context. However, today it is used in various areas – coaching, law, teaching, HRM, selling, management (Dilts and DeLozier, 2000). It has been discussed whether NLP can be described as a theory, a methodology or simply a collection of models (Craft, 2001; Tosey and Mathison, 2003). There are three reasons for obtaining NLP knowledge. **Level one** deals with the individual's desire for self or personal development (Alder, 1992; Tosey and Mathison, 2010). **Level two** deals with the desire to improve one's knowledge of human interaction and improve one's interpersonal skills level (Tosey and Mathison, 2003). The **third level** links to NLP's psychotherapeutic origin and deals with the desire to influence or change another person's behaviour (Dilts *et al.*, 1980). In short, NLP has its focus on advancing psychological skills for understanding and influencing people (O'Connor and Seymour, 2002). It is outside the scope of this paper to explain the multiple models of NLP, for detailed introduction of NLP we refer to Dilts (2000).

A literature review reveals that only five research papers deal with NLP in a sales context. Furthermore, the previously limited focus has been on the individual salesperson's outcome of NLP training, predominantly based on quantitative and experimental research methodology. This review reveals a lack of in-depth knowledge (achievable from a qualitative case study methodology) about why and how a vendor company applies NLP in its sales process.

Methodology

Research Design:

The research reported in this paper can be characterised as preliminary data from a still ongoing longitudinal case study of an exploratory nature. The case study method allows gathering considerably detailed data (Yin, 2009) enabling a deep understanding of the sequences of events. Case studies are especially appropriate for exploring new areas (Leonard-Barton, 1990) and when the researcher is interested in questions concerning "how" and "why" (Yin, 2009) and where the focus furthermore is on a contemporary phenomenon within some real-life context (Eisenhardt, 1989).

Starting December 2008 and still ongoing, data has been collected through three means: I. Interviews. II. Secondary data like company sales statistics and other internal documentation. III. Observation during meetings. The interviews ranged from being formal, semi-structured to unstructured, informal meetings that occurred spontaneously, e.g. during breaks in the sales training programme. The focus of the data collection relates to the four themes relating to the sales process levels presented in figure 1. Thus, it is mainly dealing with understanding how and why a vendor company would apply NLP from an environment, firm, sales cycle and sales characteristics perspective in a sales process.

Introductory Case Description:

It is one of Denmark's leading financial service providers, founded in 1851, with a turnover of 1,692 million AUD and employs approximately 4,000 people. The focal firm proclaims to serve approximately 1 million customers – 513,000 customers directly via 49 private centres (private business area). 85,000 business customers directly via 24 business centres (business to business area). And 500,000 customers are handled by the partnering banks (partner business to business area). Similarly, all customer groups are served via the Internet. Approximately 65% of the company's staff are dealing with sales and have some degree of customer contact.

In 1999, the focal firm started its investments in a "sales coach network" philosophy. In the beginning, only two employees got an NLP coach education and got the job description as a sales coach. This NLP education is costly (approx. 20,000 AUD) and takes three years to obtain. All new sales coaches are required to have an NLP education. Their job is to train, coach and nurse sales people with the clear end purpose of increasing sales. Originally, the two sales coaches were employed merely to coach sales people in a small fraction of the private business areas of the company as a pilot project. However, due to success (50% increase in turnover) the sales coach network has expanded over the years, and in the beginning of 2009 the philosophy was stretched out to involve all business areas.

In an internal sales coach network strategy document, the answer to the question: “*Why are you here?*” is: “*We are here to create better results with fewer steps*”, meaning that the fundamental philosophy behind the sales coach network is that the firm wants to do more with less!

Analysis

How and Why Apply NLP in a Sales Characteristic Perspective: According to figure 1.B, the seller characteristic, which has the potential to influence the state of the interpersonal relationship in a sales process, involves ‘sales person’s knowledge’ and ‘influence of techniques used’. In the focal firm, the sales coaches train all new sales people on a three day sales training programme. In this training they learn basic NLP techniques, such as how to create rapport and the theory of the human representational systems. Meaning that each individual cognitively perceive, understand and learn differently due to differences in preferred senses (Dilts and DeLozier, 2000).

One interviewee commented on this training in the following manner: “This course has helped me to understand that we humans understand and communicate differently, meaning that I cannot presume that my customers think the same way that I do. Knowing this gives me an advantage and obligation to try to meet the customer in his or her world and try to communicate in a way that he or she will understand. I think this course has introduced some theories that will enable me to improve my relations with the customers, create happier customers and better sales”. This salesperson’s comment indicates that the methodology learned from the course influences e.g. the “division of power” and the “communication climate” (see figure 1.B), and thereby the *state* of the interpersonal relationship.

How and Why Apply NLP in a Sales Cycle Perspective: A key element in the sales process theory is the “right” timing; meaning that a salesperson is, by sales researchers, advised to know and time when exactly in the sales process to introduce e.g. the price, or ask for a deal, by reading the customer’s intention (Jobber and Lancaster, 2009). This means that in the sales process it is essential to detect or read the signals sent by the customers, whether we move towards expansion or dissolution of the business relationship (see 1.A). The way that the sales coaches in the case work in respect to this theme was explained like this: “When some of our sales people have “difficult customers” we sometimes sit in during such a meeting and observe their interaction. Afterwards, we then coach the salesperson regarding his or her verbal and non-verbal signals and his or her ability to read the customer. Our success is when the salesperson calls us back and says that the relationship with the “difficult” customer has improved”. Theory related to sales people indicates that non-verbal communication accounts for between 60 and 70 percent of all interpersonal communication (Dimmick, 1995; Fill, 1995).

How and Why Apply NLP from a Firm Perspective: According to Hutt, Johnston and Ronchetto the industrial selling process is influenced by the buying and selling centres, involving individuals, groups from both companies (1985). Furthermore, relational selling (applied by the focal firm) and team selling are closely interlinked (Guenzi, Pardo and Georges, 2007). This means that e.g. internal interpersonal relationships and the organisational culture within the vendor company also play a key role in the sales process (Jones *et al.*, 2005). In the investigated firm it was pointed out by HR that the sales coaches were out in the field 80% of their time working with the sales people in the selling centres,

and constantly aligning the organisation's selling culture. Also, it was proclaimed by HR that the skills obtained from the sales coaches (i.e. in conflict management they would use the neuro-logical levels model) not only influence the salesperson customer interaction, but also influence the internal interpersonal interaction among colleagues in the organisation.

How and Why Apply NLP from an Environment Perspective: Normative directions in the business relationship literature suggest e.g. the application of a soft assembled strategy in a turbulent environment or complex adaptive system (Clark, 1999), meaning that the firm needs to "be expanding and reinventing their sensing, thinking and responding potential... learn to modulate parameters of the organization, such as its customer responsiveness, its relationship and network competences... in sum, the task is to learn how to soft assemble adaptive behaviours" (Wilkinson and Young, 2005, p. 386). Also overlapping the relational selling notion as discussed in the introduction.

In the focal firm's strategy and value statements, they state that they are aiming at (1) long-term relationships, (2) being customer oriented and (3) focusing on the relational skills of the employees. This strategy or these value statements are to a certain extent enforced or upheld by the sales coach network. As they state: "We are part of the core value of our company... we influence the minds of the sales people". Hence, the sales coach network, by applying NLP methodology, i.e. the NLP presuppositions, sharpens the sales people's sensing potential, their relationships skills and their adaptive behaviour.

Conclusion

NLP is one of the world's most popular forms of interpersonal skill training (Tosey and Mathison, 2003). Even so, little academic research has investigated this phenomenon. The aim of this paper was to explore how and why a focal firm would invest in NLP in a sales process context. By using preliminary data from a longitudinal case study and a conceptual framework focusing on interpersonal relationships the following are extracted:

Table 1. How and why apply NLP in a sales process?

Level	How? The sales coaches..	NLP Methodology i.e.	Why? To improve...
Sales Characteristics	..train all new sales people	Creating Rapport Representational Systems	..each salesperson's interpersonal skills
Sales Cycle	..are coaching in buyer-seller interactions	Sensory Acuity Calibration	..the salesperson's ability to read customer intentions
Firm	..do constant fieldwork	Neuro-Logical Levels	..team work and organisational climate
Environment	..is a "living" network ensuring and enforcing the company's values	Key NLP Presuppositions	..organisational adaptive behaviour and relational skills

This case illustrates a way of applying NLP which has the potential to affect not only the individual salesperson's relational skills but also the relational skills of the entire organisation. Furthermore, this case shows a sales coach network (building on NLP philosophy) that, according to the focal firm, generates more sales with less (or perhaps more efficient) steps. The authors argue that the reason for this success is partly through a practical exhibition of a company applying what can be categorised as a soft assembled strategy. A normative strategy prescribed in sales/marketing literature, but rarely exemplified in real-life.

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