

Fundamentals of Sales Management (For Entrepreneurs)

Or

**“What I always wanted to know about sales management
but was too busy to ask”**

The Role of a Sales Manager

By Philip A. Nasser

*“The waste of life occasioned by trying to do too many things at once is appalling.”
...Orison S. Marden*

If you have been a sales manager responsible for the sales performance of others, you are able to appreciate the intensity and pressure that goes along with the position.

Here are a few examples that will give those who have not been sales managers a feel for what we're talking about:

your days are full of activity (i.e., no time for planning during business hours); meetings are lined up back to back; customers call demanding (and deserving) help with an issue; sales people call from prospect or customer offices with issues and questions; (you make a note to spend some skill-building time in the field with the rep that just called); your boss calls looking for help with (pick one) budgets, an unhappy customer, forecasts, accounts receivable, getting product shipped; other employees come to you with personal issues that require attention; suppliers call asking to schedule some of your time; prospective employees need to be interviewed; Human Resources calls with concerns about your favorite candidate to fill the open position; marketing calls wanting to know what happened to all the leads they sent you last quarter; product marketing calls to review the launch plan for the new products scheduled for release next quarter; your lead sales person tells you he is being courted by your top competitor and that they are offering a big salary increase and an equity opportunity; your presence is required to help close a big deal; your lawyers call and tell you there is a problem with the big contract you turned in last week; the Controller calls asking for your quarterly budget update---and this is just the first day of the week!

While no two days are alike for any sales manager (truly a blessing), they all resemble the day above in speed and intensity. At the end of the day when you ask yourself what you accomplished, the answer is often not very complimentary. Most of us know we need to work “on the business” not “in the business” but struggle to find time to do so. Such is the plight of sales managers...especially those in growing companies with growing sales forces.

Here is the truth: in the midst of all this flurry you need to do some managing and planning. You may have read an article or book on management effectiveness that said “managers with clean desks were more effective than those with piles and clutter in their offices.” As you recall this you self-consciously put a pile or two of papers in a file cabinet drawer and ask yourself: “where am I going to get the time to do what I know I ought to be doing?”

Now the big question: what is a world-class sales manager supposed to be doing? We have found the work can be broken into four categories: recruit and retain, teach, coach and motivate. Let’s take a look at each one individually.

- 1) Recruit-before you can assemble a good team, you need good players. Since recruiting is such an expensive exercise (locating candidates, screening candidates, deciding on the best candidates, checking references, putting together compelling offers of employment, etc.), you would expect companies to have well-defined, tight systems to support this important task...but they don’t. Best practice in this area includes seven items:
 - a. define the ideal candidate,
 - b. develop a position description,
 - c. identify likely sources of candidates,
 - d. build a sales candidate model,
 - e. develop interview “focus areas”,
 - f. develop interview questions and
 - g. check references.

For a detailed discussion of each of these items, see the Chapter titled Seven Steps to Recruiting the Best Sales People.

- 2) Teach-if the early period of training for an employee is not conducted properly, outcomes will suffer. It is impossible to overemphasize this point for, if employees are not properly prepared for success, the company, the customer and the employee are underserved. For new employees, sales process, industry, product and competitive training will occur shortly after hire. It is at this time that knowledge and understanding grow and that expectations are set...and the grounds for success are laid.

Before good coaches put their teams on the field, they review with the players (and other coaches) the overall objectives and plan for the team. This may include the rationale for the offensive and defensive schemes and an explanation of why this will allow the team to win. Play books are handed out. Plays are diagrammed. Roles are explained. Individual expectations are made clear. Homework is assigned. The importance of physical conditioning is stressed. Competitive weaknesses are reviewed.

Notice the heavy emphasis on teaching (physical and psychological) before the team actually gets on the playing field. This metaphor applies almost perfectly to

a sales manager. Before sending a team to the practice field every member must know the overall plan, what is expected of them individually, and have a clear vision of what success looks like.

How often should this teaching/training occur? Thomas Watson said “there is no saturation in education” and we agree wholeheartedly. There is no point at which anyone can stop learning. And, there is no point at which you can or should stop training your sales people. Even the most seasoned team members can learn from new strategies, technology, research, successes, etc. Monthly, quarterly and yearly learning sessions are recommended. Of course, your individual situation will dictate the plan you follow but we encourage you to include on-going education in your sales plan. As a parallel, you might ask why medical doctors are required to participate in on-going education. Doctors, like all sales professionals, are required to stay current with the latest developments in their fields.

- 3) Coach-to continue our sports metaphor, the coaches will walk the players through the plays so they can learn their positioning and responsibilities on every play. Then, and only then, will there be a few practice plays, first in slow motion and then at full game speed. The teacher may run through several plays showing the player exactly where he is supposed to be during the play and what he is supposed to do. After many repetitions and hours of practice, the coach is ready to put the team on the field. Coaching, after all, is done from the sidelines. Coaches do not actually run the plays, player do.

Before a sales manager can put his team on the field, each member will know what activities lead to success, how much of each kind of activity is required, what boundaries and limits to be aware of, what resources are available and where to get them. Fielding a team (starting a game) before these items are accomplished will result in unsatisfactory outcomes. Role-playing and video-taping sessions are ideal tools to enhance learning and support a coach’s goals.

Another important part of coaching is observing the team from the sidelines and then giving encouragement and making corrections during time-outs. These mid-course corrections can, and do, win games. The effective sales manager sets aside time to review “game film” with every one of his sales people. This review includes call reports, sales strategy and tactics. During this review the sales manager will make adjustments for “missed plays.” For instance, if a sales person was for one reason or another unable to meet their prospecting activities in the prior week, the sales manager will ask that time gets scheduled in the coming week for this all-important activity.

- 4) Motivate-have you worked for someone who inspired you to improve your skills, invested time with you, encouraged you to work hard and who allowed you to grow in your position? If so, that person was likely a good motivator. This skill is not an easy one to master. And it can be difficult to maintain especially if, for

instance, sales and revenue are not growing at a quota rate, competition is getting more aggressive and the economy is slowing down.

We should point out that it is during trying times (especially) that the sales manager must demonstrate calm and resolve. Any show of fear or uncertainty during these times can be devastating to a sales team. There are many ways to cope with failure but one that we like best for sales managers and sales people goes like this:

“I don’t think of failure as failure, but rather as an opportunity to learn how not to do it the next time.”

“I don’t see failure as failure, but rather as an opportunity to increase my skills.”

As Henry Ford said “Failure is the opportunity to begin again more intelligently.” A particularly poignant motivational quote for all managers is by Albert Einstein; “In the middle of difficulty lies opportunity.”

Positive encouragement can be a great motivator. I once had a boss who convinced me I was competent and could, in fact, do anything I wanted in the sales organization. It’s no surprise that I accomplished a lot and worked very hard for this person. This leader was a great motivator and his leadership style is an example of the “Pygmalion Principle” which states that people will do what is expected of them (remember “My Fair Lady”?). Its name is derived from a Greek myth in which a sculptor named Pygmalion sculpted a statue of a woman, and fell in love with it. His love was so strong, that it transformed the statue into a real woman. It is this transformative effect resulting from expectations which is the basis of the Pygmalion Principle.

It is otherwise known as the self-fulfilling prophecy. It is a concept popularized by sociology professor Robert Merton in the 1950’s and is a potent motivational tool for managers. Research has shown that people perform better when someone else believes they will perform better. The fact is people succeed if someone they admire believes they can. For managers, this means they often get what they expect. As a manager, this is a very powerful reality, which you can harness to work for you, or you can let it control performance in a negative way. It is your job to set and use expectations in a manner which supports and enhances performance.

There are many routine activities sales people may not want to perform--- prospecting, updating the Customer Relationship Management system with the latest account information and activities, making sure order packages are complete, meeting with key customers where there may be no immediate new business potential---but motivated employees will gladly perform them. Unmotivated employees will not be so cheerful about doing them.

I worked for a boss who said he wanted all of us to “work smart, work hard and have fun.” The idea that we were supposed to have fun was, to say the least, unusual. “Aren’t we supposed to be hard at work all the time” we would ask? But this boss planned group activities (recognition parties to honor achievement, dinner events with our spouses, beer parties, snow skiing, sailing, baseball games, symphony tickets to name a few) that refreshed us and made us want to work even harder for him.

Lastly, economic rewards and incentives are great motivators. There is room in every sales budget for meaningful recognition of sales achievements and victories. Bonuses and commission accelerators (provisions that increase the commission amount) are wonderful motivators. It is best to deliver the reward as close as possible to the time of the success---while the taste of victory is still fresh. Monday morning sales meetings are a good time to offer cash awards for contracts signed the prior week. Sales people begin to look forward to the meetings and presentations.

General Patton led soldiers who would follow him into battle while they were tired and cold because they were motivated. A motivated sales force can accomplish almost anything.

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