



executive whitepaper

THE 7 DEADLY SINS IN SALES MANAGEMENT

Conselleo Introduction:

Conselleo transforms sales organizations by changing the behavior of sales people helping them increase their revenue, thus improving their bottom line. Since 1994 Conselleo has been providing its clients around the world with services that transform sales and accelerate results. By implementing our proven sales management methodology our clients achieve increased revenues, accurate forecasts and sustainable sales effectiveness.

Whitepaper Objective:

In our experience working with our clients' from around the world, we have found the following 7 issues haunt sales managers regardless of industry. This whitepaper was authored by Ian Selbie, CEO and President of Conselleo.

SIN #1 – PROMOTING YOUR TOP SALES PERSON TO SALES MANAGEMENT

This is the sin most often committed by organizations. Despite the fact that numerous sales professionals recognize this sin, many companies are still guilty of commit it. Why? We often assume that our best salesperson will make an excellent sales manager. Parenting and sales management have more in common than selling and sales management.

The move from sales to sales management requires a new skill set and often, a different temperament. Many high-performing salespeople do not have the ability to coach, mentor or lead the sales force. They often see leadership as “doing it themselves” so they consistently assist their salespeople in “closing business”, rather than working with their team to make sure that they have the ability and confidence to do the job themselves.

An additional risk associated with promoting a high performer is that a company may end up having to fill two positions instead of one: the sales rep position vacated by the promoted salesperson and if the new sales manager is unsuccessful, they will likely need to do further replacement.



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This can be a costly error and one that is highly distracting to a sales force. A variety of assessments and type indicators can be used to assist in determining who in an existing sales force is a prime candidate for a sales management role.

QUESTIONS: When hiring or promoting people to the sales management role within your company, what special training or tools do you provide them to help ensure their success in the role?

SIN #2 – NOT USING RECOGNITION TO BUILD CONFIDENCE

Sales management often make the mistake of assuming that paying their sales staff should be sufficient motivation for their personal success. They also assume that it takes a large budget to provide the incentives and rewards that will properly motivate them. In both cases the assumption is wrong. Numerous studies have shown that remuneration is not the top reason a person goes to work. Recognition, however, isn't necessarily expensive. With some proper planning, recognition programs and awards can be designed with little to no cost. A simple periodic listing of results is a good start, while the mention of a new account or a strong win in a highly competitive situation is worthy of recognition. When designing a recognition program, make sure it reflects your company's values and business strategy and involves your staff in the program development.

In addition to having a good recognition program, it is important for sales managers to keep a positive attitude themselves and with their team. We all enjoy being recognized, and remember it's not really the plaque that counts!

QUESTIONS: Do you recognize individual and sales team performance? Have you been able to measure increases in confidence levels as a result of your formal recognition program?



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SIN #3 – SELLING IS ALSO A MANAGEMENT RESPONSIBILITY

While there is some truth in this statement, the sales manager who believes that running the operation means rarely leaving the office is mistaken. There is no quicker way to lose touch with the troops than to get caught in the office with your door closed. As a sales manager you need to; develop and monitoring sales plans, manage the demands of your boss and corporate office, conduct regular performance reviews, overseeing sales meetings and attending senior management meetings. However, you must control these activities or they will eat up the day and you will not have the opportunity to work with your sales team members in the field. Sales managers should spend a minimum of 30% of their time in the field with sales reps.

If the sales manager is not involved with customers they also run the risk of rolodex ransom. The sales person that threatens to takes their customers to your competition as leverage for something they want. Sales managers, in fact senior management should ensure that they have a hand in the relationship with customers and a great way to do so is the four legged sales call. The sales manager and sales person jointly visit customers.

QUESTIONS: Considering that a significant role of a sales manager is to “coach” their people, how many “four-legged” sales calls do you accompany your sales people on per week? If you asked your sales people “how can I be more effective in helping you” what do you think they’d say?

SIN #4 – USING QUANTITATIVE FORECASTING (PERCENTAGE GUESSING)

The problem with this method of forecasting, apart from the fact that it is usually wildly inaccurate, is it can sow the seeds of disenchantment and poor morale with your sales force. This happens because everybody is overly optimistic about sales for the following year. Serious problems can develop within your sales force because targets are set far too high and the opportunity to make more money than the year before disappears.



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The issue of sales forecasting and sales budgeting is fraught with problems. If anything cries out for a well-defined process, it is this area of attempting to foresee future results. If you can train your sales staff to adhere to a clear process for their pipeline, forecasting accuracy will improve.

Forecasting must also be flexible so you can quickly respond to changes in the market. The sales force needs to be responsible for their sales activities and results, and not punished or rewarded for sudden changes in the business cycle. Insist on honesty from everyone, including yourself, throughout the sales forecasting process. If you have someone who has historically sandbagged their projections (*made them too low*), force them to come clean. There will be the occasions when you have someone on staff who is wildly over-optimistic. Put them through the same honesty process. In both cases you can ask specific questions about customers and prospects to make sure that your staff's sense of reality is in line with yours.

QUESTIONS: How confident are you in your team's ability to accurately forecast revenues? Is your forecasting process still relying on percentage guesstimates? When was the last time you won 50% of a deal?

SIN #5 – YOU ALWAYS NEED TO BE CONCERNED WITH TURNOVER

The assumption is that because the salesperson will either "sell or starve", they will be motivated to succeed and will not need any sales coaching or supervision. People who do not understand sales or the selling process often commit this sin. It takes a lot of time to ensure that you have hired the right people for the position and it takes more emotional energy and time to make this model work well once you have hired them. You may discover you have the wrong compensation package. Perhaps you'll need to change the variable/base mix.



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Compensation plans need to be completely aligned with the business strategy. A common problem is that the business strategy has changed, but the comp plan has not. If a top producer on the sales team actually earns more than your senior management this is fine. Sales people usually have a much higher risk – reward proposition and when they win, it should be ok for them to win big.

QUESTION: When considering the key motivators to sales people at-large, money is third on their list, behind doing a good job for the customer, addressing their needs and being recognized by their peers for their activities and results. How effective is your company's recognition program? Does it truly recognize your sales stars while motivating the entire team?

SIN #6 – TRUSTING YOUR GUT WHEN HIRING SALES PEOPLE

Many are familiar with the “interview salesperson”. This is the salesperson whose most effective sales pitch was to the sales manager who hired them. Most of these types of hiring mistakes are a result of relying too heavily on “gut” feeling. Everyone in sales management roles must remember that we are probably the most susceptible to the “interview sale”. Most large sales organizations now use some type of assessment tool to assist in the process. Consider doing assessments before the interview process. There are several good tools available to assist with the hiring task to make it easier and more effective. Everyone hiring salespeople should be trained in behavioral interviewing. When you get to the reference-check part of the process, make sure you call at least two people that they did not provide. The secret reference is far more objective. Many mistakes in hiring are the result of not spending enough time up front screening the candidates as closely and ensuring you're clear on the characteristics you want to hire. We, as sales managers, are in such a hurry to fill the position and get on with other issues that we fail to do the due diligence required to weed out the people who are just not suited for the job. Spend more time hiring and you'll spend less time firing!

QUESTION What is the impact to your company if you do not recruit the right people?



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SIN #7 ENSURING A SINGLE SALES PROCESS

Encourage the individuality of your salespeople in their style of selling, but train them in one single process of sales. The reason you want a standard sales process is to make the job of the sales manager easier and more effective: with only one system to be concerned about, everyone works with the same definitions and understandings. By focusing on the sales process, you are, for the most part, able to eliminate the personal issues in dealing with performance matters – good or bad. Diversity of personalities is important because this brings real strength to your sales force. Salespeople can sometimes find another associate who can better deal with a particular client or provide advice on how to approach a specific account. If you run your sales team with an honest desire for dialogue and input, you will be amazed at how much actual mental horsepower you have working with you.

QUESTIONS: How many sales people do you have? How many sales processes do you have? Does sales management at your company feel like psychology?

SUMMARY

We hope this executive white paper has helped you to reflect on your sales organization and consider where improvements can be made.

Conselleo is in the sales effectiveness business. Our entire family of services has been designed to help our clients achieve their revenue and margin objectives. If you would like to meet with one of our consultants to discuss how our services may be able to help your company, please contact us. Thank you.



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