

Sales Management 101

There's probably no subject dearer to my heart than that of managing salespeople. It's an endeavor in which I've had some of my greatest successes, and some of my greatest frustrations. Effective sales management can be the difference between growing your business, treading water...or worse. And, except for being about the most difficult thing in the whole world, it's not that hard to do.

Quick printers tell me all the time that "We're too small to have a sales manager." The first point I want to make is that it's not a question of size, it's a question of responsibility. I don't care how many people you manage. I don't care if you have a formal title. Whether you usually call yourself the owner, or the president, or just Mom or Pop in a mom and pop organization, if you're the one who has ultimate responsibility for bringing sales in the door, you are the sales manager. If I can get you to think in those terms this early in the article, I've gone a long way toward convincing you that the sales manager hat is one of the most important that you—or somebody in your organization—has to wear.

Who Is The Salesforce

The job of the sales manager is to manage the salesforce and the overall sales effort. Let's talk about the people first. Who makes up the salesforce? I've had more than a few owners tell me that "I'm the only one who goes out to sell." But how about the people who stay inside and sell? If you were to tell me that your staff is made up of a press operator, a typesetter/layout artist, a part-time production person, one full-time and one part-time counter person, and yourself, I would say to you that your salesforce is made up of three people, including yourself. And those three people need management if they're going to function at a superior level.

What skills are required to be an effective sales manager? No big deal, you just have to be a combination of teacher, coach, printing expert, parish priest, hero, villain, and mind reader. But read those over again, and think about that word "skill". By my definition, the only "skill" among those seven is printing expertise. The rest are *attitudes*. And here's a key point...it doesn't take a great deal of skill to be an effective sales manager. The most important thing is an attitude that *I'm going to find ways to help these people do their job well*.

It's not all sweetness and light (see "villain" above), sometimes you do have to hit them over the head with the blanket cylinder. It's a matter of whatever it takes. It's also a matter of dealing with individuals on an individual basis, which I view as a luxury that you have in a small shop that the senior sales manager at R.R. Donnelly, the nation's biggest printer, certainly doesn't have. You should be able to deal with 3, or 5, or 10 people as individuals. You can't do that when your salesforce numbers in the thousands.

Three Components

Sales management has three components: training, action, and motivation. Training is the component that ensures that each member of your salesforce knows how to do his or her job. And before you can train—before you can teach a job—you have to define that job.

Let's say Joan is your full-time counter person. What do you want from Joan? Do you want her to greet customers when they walk in the door? Do you want her to be the primary person who answers the telephone? Do you want her to handle the cash register? Make color copies? Wash the front windows? Take out the trash? Suggest that your customers use more color, or upgraded paper stocks? A written job description—which is essential to a well-managed salesforce—starts out as a simple list of the things you want Joan to do as part of your overall operation.

Once you have that list, the next question is "Does Joan know how to—or *how I want her to*—do these things?" Any item on the list where the answer isn't a definite "yes" requires training.

The same holds true for outside salespeople, but you'll most likely have different issues. I wouldn't expect a full-time outside salesperson's responsibilities to include "housekeeping" chores (though an inside/outside person's might). Most of what you want from an outside salesperson is to develop new business. In support of that, a printing salesperson needs an understanding of the "products" and technology of printing, and effective selling technique.

If you can teach those things yourself, that's great. And my experience is that most quick printers are pretty comfortable with the "product" side of the business. The "selling" side is a different story, though. I'd like you to consider that the vast majority of your fellow sales managers—and I'm talking about all kinds of industries—were promoted into their jobs because they displayed talent in their own sales efforts. In other words, most of them learned how to sell and were good at it before they became sales managers. You may come from a completely different situation. My own primary printer was an engineer before he bought a quick printing franchise.

The point is this, if you can't provide the training your people need, don't fake it. Find other training resources. Buy them books and videos, and send them to seminars when something appropriate comes to town. And don't forget your own need for sales training. Beyond building up your basic skills, selling is an ongoing challenge. The best salespeople will tell you that you never really stop learning how to sell.

Action

The second component of sales management is action, and this is probably the most basic of the three. Action is the process of developing and supervising a consistent and ongoing sales effort.

I wouldn't employ an outside salesperson without having a set of action standards for how many contacts that person was expected to make each day, or each week. But those standards can't come from just making up a number. They have to be based on "real-world" considerations of how long a typical call will take, how much travel time is involved, how much inside time is required, and how much work should be done over the phone. Cold calls, letters written, telephone prospecting, and face-to-face calls by appointment should all be part of the mix.

In the early stages of a salesperson's career, the raw number of contacts can be pretty high. I wouldn't hesitate to ask for 100 each week from a brand new salesperson, since cold calls and prospecting phone calls are likely to be quite short. As time goes on, and the salesperson starts to do business—and starts to be involved in the requirements of customer maintenance—the raw number of contacts will have to come down. That doesn't mean eliminating action standards, though. It just means keeping them reasonable.

When the action standards *are* reasonable, you have every right to say to your salesperson, "Listen, this is what it takes for you to succeed. And this is what I expect because I need you to succeed."

Measuring Performance

The process goes beyond simply setting the standards, though. You have to be able to measure performance against them. This is where the hated call report comes in...the bane of all salespeople and most sales managers. But measurement and compliance with the standards is not the only reason for having a call report system. It amazes me that, in some companies, something that should be a very convenient, two-way communications tool gets used only as a weapon of fear.

Yes, part of the purpose of a call report system *is* to document that the salesperson is performing to the action standards. But equally important is its capability to communicate to the sales manager what people are saying to the salesperson, and what sort of problems he or she is facing. I've always taught my salespeople to treat the call report as if every word is precious. List the routine calls without any further comment, but tell me the important things in as much detail as you need. I've read every call report throughout my career, and sent them back promptly to my salespeople with any questions or comments I might have. And since they're getting the reports back, the system allows salespeople to keep track of what they talked about, and what they want to discuss next time with each customer. When you make the call report a tool, and not just an annoyance and a threat, you're well on your way to guaranteeing a level of action that will bring you—and your salesperson—impressive results.

Motivation

The last component of sales management is motivation, which I define as making your salespeople want to follow the plan that you've developed for them to succeed. And I'm not talking about sending them out to hear Zig Ziglar. With all due respect, that stuff's like Chinese food. A day or so later, that quick burst of motivational energy is gone and it's business as usual.

I like motivation in two parts: short-term, highly personal incentives, and a longer term goal that's both meaningful and attainable...if the salesperson lives up to his or her part of the bargain. That longer term goal might simply be earning a lot of money. Some salespeople—the "self-starters"—don't need an awful lot more than that. Give a "self-starter" training, support, and a framework for building their earnings as they build sales (read that a solid commission structure and no mickey-mousing of their customers and territories as they start earning more, maybe, than you originally had in mind). and you'll find that you have a very easy salesperson to manage.

The world, unfortunately, is not full of self-starters. But there are plenty of pretty good people to be found who need only a little pull from time to time. And that's what real motivation is, a pull and not a push. If you recognize that, and you recognize the limitations of each individual's "attention span," you can put together a series of relatively short-term incentives that tie together into ongoing motivation.

Wild About Harry

I'll give you a "theoretical" example. My wife loves the music of Harry Connick, Jr., and he's coming here in concert right after Labor Day. If she were your employee, you could really get her attention using that concert as an incentive. If she were my employee, I'd put together a little program where reaching a certain goal between now and

then would earn her two tickets to the concert, and if she beat that goal by some percentage, I'd hire a limo to bring her there and back.

What should the goal be? It's simple arithmetic really. How much will the tickets cost? How much will the limo cost? How many additional sales dollars do I need her to bring in to pay for what I'm giving her? I know lots of sales managers who resist the idea of running little contests and incentive programs because they perceive that it costs them something. If you're doing it right, your salespeople pay for their own incentives by bringing in more business that they would have otherwise.

But the goals have to be reasonable and attainable. Otherwise, they become de-motivators. There's nothing worse than being halfway through some kind of sales contest and knowing that you have absolutely no chance of earning the reward. That doesn't get your salespeople out of bed at the crack of dawn to pound the pavement. I say make the goals reasonable first and foremost, then consider the value of the reward.

You might look at the \$150.00 it would cost for the concert tickets and the limo and say, "OK. to justify this, I want \$5000.00 in business from new customers between now and Labor Day, and that's just not going to happen." Maybe \$1000.00 in new business is more reasonable, but for that, you're only willing to "give back" something equal to \$20.00. In that case, how about a Harry Connick, Jr. CD as the incentive? I hope you'll see the point...there is always a way to match an incentive to the value it brings to you, and keep pulling your salespeople toward your objectives.

Sales management is a very broad topic. I've only scratched the surface of it here, but I'll write on it again. For today, I hope you'll at least embrace the idea that the sales manager "hat" is one of the specific hats you wear, and that you have certain responsibilities to your business and to your people as the sales manager. I think just getting that far will give some of you a new slant on what it takes to make your business grow.