

# “SALES MANAGEMENT FUNDAMENTALS”

## DEMYSTIFYING THE SALES MANAGEMENT PROCESS

By Joseph C. Ellers

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A lot of sales problems have limited solutions. If your product is not cost competitive or does not meet the minimum quality standards or never gets to the customer on time, there is just not much you can do. But most sales problems don't look like that, really. The major problem in sales is the lack of effective sales management. And the really neat thing about this is that this problem is totally under our control.

### **Begin with a clear definition of what you want**

Every day, your salespeople do things. Are these the right things? Or maybe they are things they:

- a) have always done or
- b) are most comfortable doing?

Your first job as a manager is to provide your team with explicit guidance on what you want. Do this by providing crisp answers to the following questions:

**What do you want to sell?** Sounds easy, but you cannot use answers like “quality” or “service.” You have to list the top five products or services you want your salespeople to focus on selling. These are the things you want them to focus on. (For more in-depth information on each of these, see *The Sales Manager's Handbook*)

**Who do you want to sell it to?** Each salesperson needs to have a list of focus prospects/customers and this list needs to mean something. If a customer is on the list, you want to make sure the salesperson understands how much time they are supposed to spend with them: a call a day, a call a week, twice a week...you get the picture. This also gives you the ability to specify some customers where you want less coverage. Your outside salespeople have somewhere between 1,000-1,200 sales calls they can make in a year. If the salesperson is supposed to get some new customers this year, how many prospecting calls do you want them to make? Think about how limited that resource is—and where you want it spent.

**What does a good order look like?** What is the target dollar amount? How many items? What is a good margin? What are the shipping/put-up configurations? We will continue to take orders that do not meet our definition of “good,” but what kind of orders do we want?

One of the interesting things about sales management is if you tell your people what you want; they can bring you more of it, over time.

### **Focus on the sales process**

Since the beginning of time, there has been an on-going argument over whether sales are an art or a science. There are sales “artists,” the only problem is talent cannot really be taught. So, if your sales team is not composed of artists (and almost no sales team is), you have sales technicians. The good news is, almost anyone (with desire) can be taught to be a good salesperson. If this was not true, there would be no point in sales training or sales managers.

As sales manager, your contribution to this is to help your team understand the process nature of sales. There are certain steps a customer must go through to buy what you are selling. Help your salespeople to understand the following:

- What are the steps? (What is the “normal” sequence?)
- Which parts of the customer’s organization are involved?
- What are the things they evaluate?

If you teach your people how to answer these questions, you have created a powerful sales management tool.

### **Consistently use sales management tools**

You have several specific tools at your disposal. The problem is most managers do not use them consistently (or purposefully), and some managers do not really use any of the tools at all. A list of the basic tools (and their uses) is included: (Also, if these sales tools really resonate with you and think you could benefit from more on-going, in-depth info on them, you may want to subscribe to our Free electronic newsletter on Sales Management, it’s packed with details of all these processes. Email me at [info@joellers.com](mailto:info@joellers.com))

**Sales plans** - Each salesperson is supposed to have a formal written sales plan that details how much they are supposed to sell (and target margins) during the year. This plan should also set some specific goals for sales from new customers and sales of target products/services.

**Itineraries** - Salespeople should submit their schedules in advance. Close of business on Thursday for calls scheduled for next week is a good time. This will force better sales planning by the sales team and will also provide the manager with the ability to do something unique— influence behavior. When you look at a call report, there is nothing you can do about it but when you look at an itinerary, you can make changes. This is the essence of management, anyway, directing future behaviors.

**Account profiles** - The most successful salespeople have exceptional account knowledge. The best prospectors also have the most account knowledge. See the pattern here? Your organization needs to know what your salespeople know about their key customers and prospects. Do they know enough to sell them? To sell them effectively? You need to develop a template of what your salespeople need to know to sell—and teach them to gather and record the information. Then, you need to show them the importance of the information by regularly using it when you do joint calls with the salespeople.

**Joint calls** - Also known as “buddy calls,” but I do not like that term because you are not there to be anyone’s buddy. A joint call is your opportunity to understand what happens on sales calls. You do not get this understanding by taking calls over, by the way. You should just sit and listen and unless a major order is about to get away, you should be quiet. After all, you want to find out what they do when you’re not there, right?

You should keep a notebook of these calls and document what you see. Furthermore, you need to give a copy to the salesperson of your observations so both of you have the same understanding.

All salespeople, even veterans, need joint calls. Inside people need them, too. You need to have a formal schedule of ride-along and sit-along calls scheduled.

**Sales meetings** - Part of your management effort is the formal sales meeting. To make these meetings effective, you need to have them regularly scheduled (1<sup>st</sup> Monday of the month at 8 am, for example), definite start/stop times, and a regular agenda everyone knows about in advance.

**Numbers** - What were our goals? How are we doing, by salesperson? Use this time to review specific goals such as sales from new customers and sales of focus products.

**Product/service training** - Tell one of your salespeople to prepare a 10-15 minute presentation on a focus product or service. This will help them to learn it better and help you to understand how they present it. It also gives the salespeople a chance to take a leadership role—see who likes it.

**Account training** - Ask another salesperson to diagram one of their successful sales. Get them to show how this approach will work in other situations. Again, we are talking about a 10-15 minute presentation here.

**Sales tip** - This is your moment to shine. Review your notes from recent joint calls and focus on an area of weakness.

**Forecast** - Ask your salespeople to tell you the significant pieces of business they will book in the next 30 days. (And review how accurate they were for the previous forecast.) Nothing helps you to understand how well salespeople understand their business than this little exercise.

**Opportunity management** - Many organizations have some sort of sales pipeline report. To a sales manager, there is nothing more important than a clear understanding of what is really happening. Call reports often obscure the real point of sales which is to find a new piece of business and drive it toward a yes/no. If your only tracking mechanism is quotes, you are getting a late look at the pipeline.

Use your pipeline report to tell you some specifics about sales performance:

- How many calls were required to produce a new opportunity? A new customer?
- How many opportunities are with focus customers?
- How many opportunities are for focus products/services?
- What is our closing percentage? Of all orders? Of focus products/services? At focus customers? By salesperson?

**Sales Compensation** - One of the most complex areas of sales management is creating the right compensation plan. Is there such a thing? The only right plan is the plan that encourages the results you want. Too often, however, comp plans are in place because they are easy to administer or because this is what you have always used.

Take a few minutes to understand what you want. Remember you defined what you wanted to sell; who you wanted to sell it to and what a good order looks like. If you do not pay more for sales that meet this definition, are you really paying for what you want?

Remember, too, changing the comp plan is not the answer—it's merely part of the total package. If your salespeople have been salaried for the past decade and you decide to change to a commission plan, do you really think you are going to get what you wanted? If your people were motivated by commission, they probably would not have worked for a company that did not pay for ten years, right?

Also, remember every time you change a comp plan, the first reaction is you are trying to take something away. A change in a comp plan has to be “sold” not “told.” Keep that in mind.

Do a self-audit of the topics presented above. Give yourself a grade. How did you do? Are there changes you can make today that will improve the quality of your sales effort? If you really want to get this stuff down-cold, get on my Free E-zine and you'll have a virtually endless supply of great sales tools and ideas.

All the best to you,

JCE

**Resource Box:**

Joseph C. Ellers is a consultant, trainer and sales coach to the distribution and manufacturing industry; has consulted with hundreds of companies all over the world and personally trained thousands of sales staff and managers over the last 20 years.

A frequent key-note speaker at many association conferences and regular contributor to numerous distribution trade magazines, Joe is well qualified to speak on this subject.

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