



Thriving in a Hostile Environment

Beachgrass Consulting

Sales Manager's role & skills

"A sales force is only as good as its sales management"

Despite these well-known and wise words, seldom do companies invest in developing and strengthening a good sales management. Very often, sales managers are successful sales persons promoted to this new role without any transition or training. But being a good sales manager requires skills that are quite different from those of a good sales person. A sales manager is the link between his/her sales team and the company. She/he must provide her/his team with conditions and tools to **work efficiently** (rational conditions) and conditions to foster **motivation and engagement** (emotional conditions). Additionally she/he must provide management with results, business stability, market knowledge and forecasts.

So why do you need to manage sales people? Why should they form teams? What does managing a sales force imply? Without a clear understanding of the answers to these questions, it is difficult to develop an efficient sales organization. Moreover, to be successful, a sales manager must work at both the individual and team levels. In this and the next bulletins, we will look at what to do at the individual and team levels and in the following bulletin we will discuss how to measure performance and how to compensate a sales force.

As is the case in all management functions, a sales manager needs to plan, staff, direct, and monitor his/her sales force activities. These four functions must produce the rational conditions for working efficiently. However, outbound sales people, because they operate outside the office, are under considerable stress most of the time. They are confronted with failure (lost orders, angry customers, etc.) and need more than these rational conditions alone. Their sales manager has to provide them with support, help, reassurance and guidance to foster motivation and engagement (emotional conditions). To do this, he/she can deploy techniques like those in Beachgrass Consulting's HAIR® program.

To plan, a sales manager needs to know his market and what his/ company is willing to invest in his territory. This means he should receive objectives along with the means to achieve them: people, budget, degree of freedom, territory, etc. A sales plan consists of financial objectives

and action plans with measurements and milestones. The tool to prepare such a plan is the **sales funnel**.

To staff means to hire, assign, promote and fire. Each of these activities is difficult. **Hiring** is the trickiest because of the level of **uncertainty involved**: what sort of profile will the company need in 5, 10 years? How long will it take the new person to reach the level expected? How will she integrate in the existing team? What impact will he have on our customers? There are techniques to reduce these uncertainties to an acceptable level. **Assigning** involves **setting objectives** with each sales person and agreeing to key improvements and milestones. **Promoting** might seem the easiest but it is not. First, it **deprives you of a highly productive asset**; second, it sends important messages to the rest of the sales force. So it requires proper planning, good communication and rigorous selection. **Firing** is the **costliest**. Four types of costs are associated with firing: severance package costs (visible & immediate), lost margin due to wasted (loss of) efficiency and time in replacement (visible and deferred), rehiring costs (hidden and deferred) and team's demotivation (hidden and immediate). Studies in Western Europe indicate that firing a sales person costs some 40-60 K€.

To direct the sales force's efforts, the sales manager can use the portfolio presented in the "Customer base management" issue. It should be coupled with programs like our HAIR® program to deliver the best results.

To monitor the sales force, the sales manager needs to observe behaviors and measure time and effort. To observe she needs to make joint calls with her sales people and to have one-to-one discussions with each sales person. To measure time and effort, she has to hold frequent and regular review meetings. All of this requires a good amount of open-mindedness, a strong personal discipline and a great amount of patience, which are all characteristics of a good sales person, but a fair amount of humility and restraint required to drive others (allowing them to develop themselves) without forcing on them the manager's own personal techniques. Because many companies do not appreciate this second part, they fail to train on such aspects the sales person whom they promoted to sales manager, thus setting her up for difficult times if not failure.

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