

## **The Sales Manager's Best Friend**

These days most sales managers could use a good friend. The stagnant economy and intense competition put extreme pressure on the sales force. Meanwhile, sales reps are often fiercely independent and difficult to manage. They sometimes seem to enjoy nothing more than complaining. The unlucky manager is stuck in the middle between his ever more demanding boss and a group of high maintenance whiners.

While we all have our crosses to bear, distributors may want to pay special attention to the hardships suffered by their sales managers. According to the most recent comprehensive study of sales compensation in wholesale distribution (What's Your Plan?: Smart Salesforce Compensation in Wholesale Distribution published by the National Association of Wholesaler-Distributors' Research and Education Foundation), sales management practices largely determine whether your company will thrive or dive. In particular, the study found that the following characteristics were the key differentiators between distributors that have gained market share and those that have lost it.

- The presence of clear corporate objectives that are directly linked to sales objectives. These objectives are "more than simple goals of growth."
- Alignment of incentives with corporate and sales objectives.
- The presence of a sales management process with accountability for performance.

As the direct link between strategic corporate objectives and the "feet on the street," sales managers play a critical role.

### **Chasing Your Tail**

Unfortunately, in our firm's experience, many companies treat sales management as an afterthought. Sales managers are frequently just sales reps with a better title, maybe because the company needed an excuse to pay them more. Managers often continue to have some direct account responsibility in addition to their management duties – no prize for guessing which one gets top priority at the end of the month. Crucially, many companies fail to provide sales managers with the clear sales objectives or management processes that the NAW study found to be so important. In short, they don't have the tools to get the job done.

Sadly, managers accept the situation because they buy into the common misconception that "sales is different." They see good sales reps as mavericks that will buck any attempt to be controlled. "If we get too structured our best salesmen will leave and take their customers with them." If sales is an art, then sales managers are often like Hollywood talent agents, stroking the egos of their biggest stars to keep them happy.

### **Throw Them a Bone**

While it is certainly true that micromanaging your sales force can be counterproductive (compulsory call reports come to mind), the best performing distributors show that strong sales management is essential.

The NAW study defines sales management as "simply a structure for continuously improving sales force performance through focus, discipline and a coaching process built on accountability." This structure is the difference between a true manager and a caretaker. It is the hallmark of proactive, growth-oriented companies. It is the foundation that your sales managers desperately need, whether they recognize it or not.

Customer relationship management (CRM) software, contact management systems and laptop computers are not a sales management structure. Well- designed automation can certainly support

good processes, but it doesn't replace them. Technology is the tool, not the strategy. After all, if you automate dumb processes, you will simply do dumb things faster.

There is no one-size-fits-all sales management program, but there are fundamental concepts that apply to almost any sales organization. In our experience, a good sales management process includes:

- Clear sales objectives that are aligned with company strategy. Everyone in the sales organization should be able to recite these in their sleep.
- Standard scorecards based on these objectives. Accountability requires an explicit yardstick for measuring performance against expectations and commitments.
- A "library" of best practices and tools. High performance companies work to continuously pass knowledge from more experienced and successful sales reps to new hires.
- A formal process of setting goals and measuring progress against them. The key to continuous improvement is to have a simple feedback loop consisting of planning, executing against the plan and measuring results.

## **Biting the Hand**

Initially, of course, many sales managers will see attempts to impose a structure as more of a hindrance than a help. They may resent the notion of someone "telling me how to do my job." They might feel that the scorecard fails to capture all facets of performance or that the whole thing is just an excuse to give the sales force more beatings. Deep down inside, they may be worried that the process will leave them nowhere to hide poor performance. I actually had one sales manager complain that the sales effectiveness process we were implementing would force him to spend almost all his time focusing on his sales reps! As we say in LA, "ooh my God!"

At some point, good sales managers will come to embrace the process. They will appreciate having clear objectives that relate directly to the company's goals because this enables them to avoid being micromanaged by their boss. They will welcome having uniform, objective performance metrics that allow them to spend more time coaching and mentoring instead of debating and haggling.

But the greatest value from having a strong sales management process is in the relationship between the manager and his reps. In our firm's experience, the single most valuable activity of a sales manager is the regular, one-on-one territory review. This is the manager's opportunity to provide the frequent, minor course corrections that drive continuous improvement and help to avoid surprises. A sales management process subtly changes the dynamic of these conversations. Instead of saying, "I think you are lousy at prospecting," the manager says, "How can we work together to improve your prospecting score?" The review is no longer about evaluation – that has already been taken care of by the scorecard and comparisons to the mutually agreed, very explicit goals. Instead of being primarily judgmental, the review can focus on performance improvement. The power of the territory review just went up by a factor of 10.

## **Leading the Pack**

Distributors usually have no shortage of ideas, just a shortage of resources. We are regularly asked about the best place to start when embarking on a sales improvement initiative. The answer is, start with the foundation. If your sales organization doesn't have clear sales objectives, uniform measurements for accountability and at least a baseline sales management structure, then you are asking your sales managers to nail Jell-O to a wall.

Why not give them the faithful companion they need to get the job done?