

## **BEST PRACTICES FOR INCREASING SALES FORCE PRODUCTIVITY IN 2010**

### **FROM A KEYNOTE ADDRESS GIVEN BY BOB CALVIN IN BEIJING ON OCT 16, 2009**

The key to success in sales force management is execution and implementation. Many sales managers have the tools but do not use them. This short article is meant as a check list of the tools you need to implement to increase sales force productivity in 2010.

First it is important to decide on the Key Control Points for managing the sales force in your firm. These Key Control Points will vary from one company and industry to another, but should always at least include the following.

**STRATEGY:** Clear and focused. If you do not know where you are going you will not get there. Is the strategy to concentrate on further penetration of existing accounts or opening new customers.

**JOB DESCRIPTION:** What specifically do you want sales people to do. What are their anticipated duties?

**CANDIDATE PROFILE:** If you take the sales force and divide it into the best and the not so best, what do the best have in common as far as skills, knowledge, experience and personal characteristics. Decide which are the musts and which are the wants. Based on this create a profile of the candidates you would like to hire.

**TRAINING CHECKLIST:** A universe of topics that a sales person needs to know to be successful at your company. This is the product, customer, competitor knowledge and selling skills that you will train sales people in. Out of this should flow a development plan for each sales person.

**TARGET CUSTOMERS AND MARKETS:** Based on dollars/yuan of present and potential business, cost to sell and serve, and probability of success who/which are the target customers and markets.

**SIZING AND DEPLOYMENT:** How many sales people do you need and how big should each sales person's territory be.

**SALES FORECAST AND PLAN:** Blending top down and bottoms up sales forecasts and plans to create a meaningful dialogue between the sales people and the sales manager.

**PERFORMANCE MANAGEMENT:** On a quarterly basis evaluating not only results but the sales person's skills, knowledge, activities, and personal characteristics that drive results.

We manage what we monitor. Activities drive results.

## **BEST PRACTICES FOR TRAINING SALES PEOPLE IN 2010**

Do you have a mentoring program where your more experienced sales people are assigned a less experienced sales person to mentor? How do you choose mentors? What are their duties?

Do you test sales people annually on knowledge of products, customers, competition and selling skills?

Do you test sales people after each training session to see what they have learned? This is a very humbling experience. Generally we find they need better and different training.

Do you have a competitive grid for each product, market and/or major customer? Who are the competitors? What are the competitive issues? How does the customer choose?

Do you assign a sales person to track and report on each competitor?

Do you regularly review client/customer profiles with each sales person?

What are you doing to reduce the sales cycle? The competitor who can reduce the sales cycle gets the business.

Are you training sales people in how to deal with group decision making? Who is the decision maker, who are the influencers and gatekeepers? Only one person can say yes, many can say no.

Are you training sales people in how to quantify customer benefits? How do the features and the benefits of your products/services increase customers sales, decrease their costs and/or lower their working capital needs? Can your sales people prove this in dollars/yuan on a spreadsheet based on the customer inputs?

Do your sales people use funnel management? Do they discuss with you the steps necessary to open a new account or place a new product, then put the steps in a time frame, and estimate the costs involved.

## **BEST PRACTICES FOR HIRING SALES PEOPLE IN 2010**

Do your job descriptions and candidate profiles reflect not only tactical issues but strategic ones such as experience in long complex sales cycles and group decisions, or duties such as negotiations, targeting and pricing windows?

Do you ask sales people to review their job descriptions each year, add new duties, delete ones no longer appropriate, sign it and return it to you?

Do you simulate the sales process in the hiring process? For example, inject rejection into the interview to see how the candidate reacts. For example, have shorter interviews if the sales persons face time with a customer is short.

Do you do telephone interviews with all sales person candidates to see if they can sell over the phone, and if they close on having an in-person interview.

Do you check references with previous employers/bosses and customers? Do you ask the right questions such as did the candidate expand his/her business with you, did the candidate open new accounts, sell value, or can the candidate sell a long sales cycle?

Do you have the final candidate for a sales position travel with another of your sales people for a day?

Do you have sales candidates sell you their present product/service to evaluate their selling skills?

In summary get the right people on the bus, the wrong people off of the bus, and the right people in the right seats. Spend more time to hire and less time to fire.

## **BEST PRACTICES FOR COMPENSATING SALES PEOPLE IN 2010**

Do you realize that changes in compensation may not change sales people's behavior, but only let them know what management feels is important? Appropriate compensation must be combined with good hiring and training to be most effective.

Do you re-evaluate sales person compensation each year because of changes in product mix, markets, competitors and customers?

Does the dollar level of sales person compensation reflect the complexity of the sale? Do sales people doing consultative or partnership selling make more than sales people doing transactional selling?

Does the mix between fixed and performance pay reflect the type of sales person you want to attract, the sales person's influence on the sale, and the specific action and results on the part of a sales person most important to the success of your firm?

If you want sales people to work together do you encourage this with group bonuses?

Are you compensating the sales support staff with performance pay to reward activities and results important to your company's success?

## **BEST PRACTICES FOR SALES FORCE SIZING AND DEPLOYMENT**

Do territories reflect equal potential? Do you have an accurate method for measuring potential?

Do territories balance the sales person's workload against the sales person's call capacity?

Do you ask sales people to report to you monthly on their top 10 prospects, top 10 growth accounts and top 10 accounts in annual purchases?

Do you periodically ask sales people to keep track of their time as it relates to major activities such as face time with customers, travel time, phone time and administrative work?

Do you analysis each sales persons/territories contribution margin and take action based on this?

### **BEST PRACTICES FOR SALES FORECASTING AND SALES PLANNING**

Do you ask sales people to forecast their own sales based on past and present sales trends, changes within your firm, and changes at customers, competitors and in the market place?

Do you ask sales people for a best, worst and most probable forecast?

Do you ask sales people for the critical risks and contingency plans involved in their sales forecast?

### **BEST PRACTICES FOR NON-MONETARY MOTIVATION IN 2010**

Sales person of the month, quarter or year based on changing metrics so everyone has a chance to win at some point.

Thank you letters and calls from upper management to sales people to recognize major accomplishments.

Sales clubs and honor societies based on results, skills and years of service.

Ranking sales people based on their results compared to quota/forecast and making the rankings available to all the sales force.

Motivating high performers differently from average performers. Getting high performers involved with mentoring, leading sales meetings and interviewing candidates.

A career ladder of titles so sales people can move from one level to another without moving into management. With the title comes larger accounts and some changes in fixed pay.

### **BEST PRACTICES FOR PERFORMANCE MANAGEMENT/ EVALUATIONS IN 2010**

Evaluating not only results but the skills, knowledge, activities and personal characteristics that drive results.

Have sales people do self-evaluations.

Evaluate sales people quarterly so the evaluation is closer to the results, actions and activities.

Separate quarterly performance evaluations from compensation reviews to make the performance evaluations less emotional.

Do not give a total score on performance evaluations so that you and the sales person can concentrate more on goals and objectives for each activity, result, skill, characteristic or knowledge subject. Less emphasis on ratings and more emphasis on goals.

For more information on any of these topics please attend one of the Fundamentals of Effective Sales Management Workshops at the University Of Chicago Booth School of Business. In 2010 the workshop will be given from January 25-28, May 17-20, and Sept. 27-30. Call (312) 464-8732 or email [exec.ed@ChicagoBooth.edu](mailto:exec.ed@ChicagoBooth.edu).

For more information on any of these topics please buy one of Bob Calvin's books which include: "Sales Management, The McGraw-Hill Executive MBA Series" and "Sales Management Demystified" both published by McGraw-Hill.