

SO, NOW YOU'RE A

SALES MANAGER



What every sales manager
should know about sales
management from day 1

Greg Lee MBA



“I’ve had many sales managers over the years and I really wish they’d all read this book first!”

— Michael, former ICT account manager and technology consultant.

“I learnt a lot on the job, and also from Greg, who explains sales management theory and practice really clearly.”

— Craig, former sales and marketing general manager, global electronics manufacturer.

“It is the ‘little things’ that make the difference between ‘ordinary’ and ‘good’ and ‘good’ and ‘great’ and this book is packed full with lots of tips and hints and ‘little things’ you may not know when you first move into Sales Management. It is a great source that you can refer back to time and again to help keep you on track. I wish it was available when I first moved into management!”

— Susan, former regional sales manager, global ICT multinational organisation

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Sales Manager

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about sales management from day 1

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Key to sections

In addition to the main narrative, the following section markers are used throughout the book to indicate different types of content.



Challenges and questions for you, the reader, to consider as you follow Mick's journey.



Mick's notes and thoughts as he learns about sales management.



Andy's expert advice, tools and strategies.



Useful reference material and websites Mick explores.

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About the Author

Greg Lee BSc MBA MAppRes first began learning about sales at the age of ten by observing his father selling life insurance. He began learning about sales management at the age of thirteen when his father was promoted into a leadership role in that same insurance company.

IBM provided Greg with formal sales training as well as people management and leadership development. Two very experienced mentors with somewhat different personalities and thus different approaches to the job, taught him key account management.

At Mercuri Greg also learned other sales techniques, such as cold calling, and by then was the stand-out candidate to conduct public sales leadership programs.

An MBA provided Greg with additional theory to support training and coaching in sales leadership, as did Executive Education at Columbia University.

Greg's later doctoral work provided deeper insight in academic and theoretical aspects of leadership, such as motivation. His own doctoral research explored sales managers' behaviours and salespeople's conscious and subconscious responses in terms of motivation and discretionary effort.

Many years of personal experience in sales and leadership in IT, combined with over 20 years of observing and coaching other people in sales and management roles across industries and geographies, has led Greg to the point where he enjoys passing on as much wisdom as possible regarding these topics and roles.

Hopefully this book will provide both a textbook for repeated reference and an enjoyable fictional story in which all readers can relate to our central character and enjoy the emotional ride through his first six-plus months in a sales management role.

1

TAKING OVER THE SALES TEAM



1.1 First Day

As young Mick Hennessey walked down the corridor behind his new boss, the Regional Sales & Marketing Director, Simon Smithe, he felt the trepidation rising. He was excited by achieving his first management role and looked forward to all of the status and adulation that would bring. But he could not help wondering if the sales team would welcome him or resent him for replacing his predecessor. Mick had been a successful salesperson, but he was not exactly sure what a sales manager should be doing. He'd only worked for two of them, and he'd always felt that they both seemed rather average.

Simon was a rather aloof former marketing academic who struggled with (or didn't bother) explaining things in detail or to empathise. In Mick's only discussion with him when he was appointed, he hadn't wanted to ask too many questions for fear of looking incapable. And when he asked what was expected of him, all Simon said was: "You were good at sales, so you'll know what salespeople need. I shouldn't have to tell you how to do your job, just the broader marketing strategy."

All eyes were on Mick as the two men entered the conference room. "As you know, we had to make a quick change," said Simon, "so meet your new Sales Manager, Mick Hennessey. He was a successful salesperson down in Melbourne, so I'm sure he'll have lots to teach you all."

He turned to Mick and said, “Mick, don’t forget the Sales and Marketing Management meeting on Friday, and I’ll expect your first report on this sales unit by then.” Simon walked towards the door and turned back to the group saying, “Well, I’ll leave you all to get acquainted.”

As Simon closed the door behind him, Mick turned to the group. “It’s a great pleasure to be here, and I’m looking forward to getting to know each of you,” he said. “Is there anything urgent that I should know about?”

Su Lin jumped in first. “I had several customer meetings in Fred’s diary, so I presume you’ll still be good for all of those?”

Bobby piped up, “We all liked working with Fred, but he was sometimes a bit distracted by having to look after our major customer, Global Finance Corporation, by himself. Will you be keeping GFC?”

“Hey, Fred was very supportive of us,” Safreena volunteered, “and we’ll miss him.”

Mick did his best to reassure everybody: “Ok, come to me with anything urgent,” he said calmly. “I’ll try to keep those existing appointments. I need to go over the data to prepare for Friday and I hope to spend some time one-on-one with each of you as soon as possible to get to know you better.”

Mick subsequently met with his Personal Assistant and Sales Administrator, Aziza, who informed him that he had many commitments in his diary for the coming week and there were a number of customer calls to be returned — including complaints.

When he asked for current pipeline data, as well as files on all salespeople, Aziza responded in a very matter-of-fact fashion.

“Fred had a simple spreadsheet into which I entered data from the salespeople so he could do the forecast slash outlook slash whatever report,” she said. “He only met irregularly with most of the sales team and did not put many notes into their files, which only contain the original CVs and application forms, plus leave applications, salary change paperwork, and annual territory acceptance forms. He spent a lot of his time working on GFC, the company’s major account, and that’s what I also spent most of my time doing to support him. Finally, I’m not a gossip, so please don’t ask me for personal information about any of the sales team, who I feel are my family.”

1.2 Mick’s Diary for Week 1

Mick eventually got some time to himself in his office. As he looked over his extremely full diary for the coming week he wondered what he had gotten himself into.

Did he really need to attend all of these scheduled meetings? He felt a child-like desire to just cancel them all and start again. He suspected, though, that some may have been inserted by the Director, and that he had better not be too hasty.

Nevertheless, to avoid having to work late at home every night this week, Mick knew he would have to clear some “quality time” in order to get to grips with his new domain.

Mick looked closely at the diary entries for the upcoming week and considered which meetings he should keep, delete, postpone, and add.

	8.00	9.00	10.00	11.00	12.00	1.00	2.00	3.00	4.00	5.00	Night
Mon	1-on-1 with S&M Director	Meet team					Cust mtg with Su Lin				
Tue			Operations meeting		Cust Lunch with Jack			Weekly sales team meeting			
Wed		New product planning meeting					Cust mtg with Su Lin	IT new CRM system project review			
Thu		Weekly review Bobby	Weekly review Chee Leong	Weekly review Su Lin			Weekly review Jack	Weekly review Ravi	Weekly review Safreena		
Fri			Sales & Marketing mtg including forecasting				Cust mtg with Su Lin		PA weekly diary review		

Mick's diary for week 1

Mick's diary for week 1

1. Which existing appointments should Mick keep in the diary and which should he postpone or delete?

EXISTING APPOINTMENTS	Keep	Delete	Postpone
Su Lin's 3 customer visits?			
Weekly reviews with individual salespeople?			
New product planning meeting?			
Operations meeting?			
IT new CRM system project review?			
Weekly sales team meeting?			
Sales & Marketing meeting?			

2. What other meetings should Mick add to his week 1 schedule?

NEW MEETINGS?	Add
Meet Customer Service, Operations re outstanding customer complaints?	
Meet the customer who has an outstanding complaint?	
Meet with HR re development plans for the salespeople?	
Meet with all 'A' accounts?	
Meet with Sales Administration re overdue sales commissions?	

See Mick's choices at the end of the chapter.

Mick then wondered what else he should focus on before rushing out to his first customer meeting as Northern Region Sales Manager.

A friend had given him the book *The First 90 Days* by Michael Watkins as a present on his promotion.

Some guidelines that he gleaned from the book included:

- Assess your strengths and weaknesses
- Diagnose your situation, and understand its challenges and opportunities
- Negotiate a productive working relationship with your boss
- Secure early wins that establish your credibility
- Build your team.

He decided to work through some of his relevant perceived strengths in order to uncover his potential weaknesses in a sales manager context. He came up with a list of four generic strengths and then considered the relevance of each one.

- I know how to sell and have a good track record ... *Yes*
- I am enthusiastic and relate well to people ... *Yes*
- I am an experienced sales manager ... *Not yet*
- I know these salespeople already ... *Not yet.*

Mick worked through his relevant perceived strengths and potential weaknesses, and then through the more generic ones for future reference.



MY STRENGTHS VERSUS POTENTIAL WEAKNESSES

STRENGTH #1:

I know how to sell and have a good track record

Potential weaknesses:

- I may know only one sales approach, eg general territory versus large accounts
- I may insist (that is, too heavily) that all my salespeople sell the same way, regardless of territory
- I might be tempted to show off how good I am at selling.

STRENGTH #2:

I am enthusiastic and relate well to people

Potential weaknesses:

- I might want to be involved in all sales situations — at least at the closing stage
- I might assume all my salespeople are as motivated as I am, and by the same thing (just money?)
- I want to add value to my salespeople but have not had any formal training so am not sure how I will do this.

STRENGTH #3:

I am an experienced sales manager ... *Not yet*

Potential weaknesses:

- I might try to change too much too soon when I take over
- I might set a much higher standard and trigger higher salesperson turnover
- I might want to get involved in other projects on top of managing my team.

STRENGTH #4:

I know these salespeople already ... *Not yet*

Potential weaknesses:

- I may be tempted to be friends with my salespeople rather than their manager
- I may be blind to their deficiencies as I've only seen their good side previously
- I might move too quickly to classify my people and tailor my behaviour.

After reading the book, Mick couldn't help feeling that things in the sales world do not wait ninety days! So what should he focus on in his first week and first month? And more broadly, what was the role of a manager or leader and how would that apply specifically in a sales manager or leader role?

He had searched 'sales management' on the internet prior to starting today and found several definitions of 'management', including:

Getting things done through people.

(Mary Follett)

Coordinating the efforts of people towards common goals.

(Philippe D'Iribarne)

Using today's resources to achieve today's objectives, and developing tomorrow's resources to achieve tomorrow's results.

(Peter Drucker)

He also wondered about the difference between a 'manager' and a 'leader.' How were they similar and how were they different? Could

(or should) one person fulfil both roles? What factors would influence which role to fulfil at any time or in any situation?

His searches explained that a 'leader' is someone who is able — through persuasion and personal example — to change the thoughts, feelings and behaviours of those they seek to lead. Great leaders need to be great communicators, using the art of story-telling (Howard Gardner, quoted by Professor Willie Pietersen, Columbia University).

It seemed to Mick that management is primarily about getting things done in the short term, while leadership may be more about creating the longer term vision that allows us to motivate our staff to pull together in the right direction.

Since Drucker's definition of management also had an element of developing resources, it might allude to the short- to medium-term coaching element of the job, while mentoring could be the medium- to longer-term career development element of the role.

While some sales managers are capable and willing to perform all these roles, others prefer to perform a few roles themselves and outsource the rest to others such as the Human Resources department or external trainers and coaches.

Mick concluded that as a sales manager he therefore needed to:

1. Achieve the given short-term sales targets with the existing resources and existing team
2. Develop his team and resources to achieve greater results in the medium term, by:
 - Facilitating a vision and goal for the team to rally to
 - Looking after both sales and people
 - Coaching skills and knowledge, and
 - Providing longer-term career guidance and development.

He could also see that beyond the generic elements of a manager and leader, an additional aim for any sales manager should be to grow, not just maintain, the customer base — in both revenue and in gross profit. In order to do that, he must retain and strengthen relationships with current customers and turn them into loyal ones. To add to the number of customers, the team would add new prospects to the pipeline and convert them into customers. To create additional prospects, they would need to target and make contact with other suspects, then identify needs and qualify.

In his searches Mick also found a useful briefing document about something called the *Suspect-Prospect-Customer Territory Management Model*.

He bookmarked the summary for later reference.



SUSPECT-PROSPECT-CUSTOMER (S-P-C) TERRITORY MANAGEMENT MODEL

The business strategy should be to build, retain, and grow this loyal, premium, re-buying customer base by converting more serious prospects into first-time customers, and then into repeat customers. Retaining these customers involves more than just high customer satisfaction, but also strengthening the relationship between our business and theirs. This process should also lead to growth through better understanding the customer's broader needs and better linking our business's broader capabilities to create benefits for the customer.

To retain customers and create loyalty, we need to assess and strengthen the relationship. To build first-time customers, more serious prospects must be created and converted into customers. To create serious prospects, more formal first face-to-face meetings with suspects are needed, and to create first meetings the business needs to make initial contact with more suspects.

Creating serious prospects should be a combination of quantity and quality to form a growing pipeline of opportunities.

How many prospects are needed? To answer this question look at the business's historical conversion rate from prospect to first-time customer, as well as typical deal size, to calculate the number of prospects required.

For example (working backwards):

- If our target is \$1m in revenue and our average deal size is \$100k, we would require 10 deals or sales to reach our target.
- If our conversion of serious prospects into customers is 1:2 then we would require $10 \times 2 = 20$ serious prospects in our pipeline.
- If our conversion of first meetings into serious prospects is also 1:2 then we would require 40 first meetings.
- And if our conversion of initial contacts into first face-to-face meetings is 2 from every 5 (that is 1:2.5) then we would require 100 initial contacts with early suspects.

It would be easy to focus on quantity alone and put every vague opportunity into our pipeline and call them all serious prospects, but this just lowers the conversion rate into customers.

In order to focus on quality as well as quantity, we should qualify suspects on the basis of whether they have a real need, whether our business can address that need, whether that can be done profitably, and whether we can win against the competition.

In order to assess our ability to win we should look at all those customer personnel who might be involved in the decision to buy, and how they will make their recommendation(s).

Remember to distinguish between first contact of any kind — such as a telephone call or a brief chat on the sidelines at a conference — and the first formal face-to-face meeting at the customer's office, as there can be a conversion rate and time lag between these two stages as well.