

essentials

“Everyone with a client-facing role should embrace the same external view of the customer that top management embraces.”

Four Crucial Sales-Management Challenges

Best practices from top-level sales executives

Although sales managers play a crucial role in the success of sales organizations, few companies invest specifically in the development of sales-management skills. In a recent Webinar moderated by Selling Power founder and CEO Gerhard Gschwandtner, four top sales executives from SAS, HSBC, Neopost, and Fusion Learning discussed the following crucial challenges facing sales managers today:

- developing and executing a compelling sales strategy,
- creating a great sales culture,
- increasing the engagement of top sales performers,
- managing the sales participation rate.

CHALLENGE #1: DEVELOPING AND EXECUTING A COMPELLING SALES STRATEGY

Sales management is sometimes relegated to being a purely tactical function that focuses on making certain that sales teams get the resources they need to develop and close deals.

Strategic thinking, however, is equally important to effective sales management, according to Kevin Higgins, president of Fusion Learning, a leading sales-training firm. “Sales managers should take the time and make the effort to determine how and where salespeople spend their valuable time and energy,” he says.

A compelling sales strategy consists of two major components: a sales process and a set of metrics that reinforce that process. The process should be “consistent and understandable so that everyone knows what is expected of him or her on a day-to-day basis,” says Edward Collins, vice president of direct sales at Neopost, one of the world’s largest manufacturers of postage-meter and mailroom equipment.

The metrics that reinforce that process must establish common sales goals and stretch sales goals that are both achievable and measurable, according to Brian Ford, vice president of sales, global payments and cash management, at HSBC, a multinational banking and financial-services company. “Your sales operating model must document roles and responsibilities so that there is never a question in anyone’s mind about how they’re being measured and assessed, and so that sales professionals and managers alike can be held accountable,” he says.

**CHALLENGE #2:
CREATING A GREAT SALES CULTURE**

The most successful companies have corporate cultures that value and respect the sales function. Since such cultures do not evolve automatically, sales management must take steps to encourage them, according to Ford. "Everyone with a client-facing role should embrace the same external view of the customer that top management embraces," he says.

Cross assignment of sales and marketing personnel can also help a company become more sales focused, according to Ford. "We sometimes assign a sales manager to become a coach inside another part of the company and act as the customer's advocate," he explains, adding that this spreads a greater awareness of customer concerns, both inside the organization to which the individual is assigned and afterward to the original group when the assignment is over.

Nick Lisi, vice president of Americas operations at SAS, a leading provider of integrated software solutions, points out that creating a sales-oriented culture can prove difficult inside firms that have a different history and focus. At SAS, for example, where the primary culture centers around research and development, sales leaders have been able to generate a culture of sales awareness by "adding discipline in the area of opportunity management, tracking opportunities in a CRM system, and reinforcing sales goals through weekly reviews."

Another way to create a sales-oriented culture is to share the excitement of sales success, says Higgins. "[At one company], when a sales director makes a sale, he or she bangs a gong, and there's a carnival wheel with prizes. The sales director determines who spins the wheel based on who helped support the sale."

**CHALLENGE #3:
INCREASING THE ENGAGEMENT OF
TOP SALES PERFORMERS**

If top sales performers focus solely on closing deals, the overall effectiveness of the company suffers. For example, few sales functions are more important than forecasting, an activity that thrives on close communication between sales

managers and other sales leaders.

Lisi suggests that sales managers "review their pipeline forecast every two weeks in order to keep a good 'line of sight' and ensure that individual sales professionals understand what needs to happen in order to make those numbers." Such reviews, when pursued regularly, can generate forecast accuracy "as high as 75 percent," Lisi asserts.

Another effective way to keep top sales performers more engaged is to increase the amount of one-on-one coaching, according to Ford. "The sales manager should have regular, one-on-one conversations to make sure that individuals are engaged and will be able to achieve their stated goals."

**CHALLENGE #4: MANAGING THE SALES
PARTICIPATION RATE**

The sales participation rate is the percentage of a firm's sales reps who are at or above plan. "This often-neglected metric is the key to increasing your overall sales performance, because the more personnel who are above plan, the better the overall performance of the group and the more time sales managers can spend helping or eliminating nonperformers," says Higgins.

One good way to increase the sales participation rate is to put more time and energy into lead generation, according to Collins. Neopost, for example, has "invested time, money, and effort in hiring an inside sales force that opens doors for field-deployed reps," Collins says. Another way to increase the sales participation rate is to use social media more aggressively. "I know one company where every salesperson is required to blog in order to generate leads," says Gschwandtner.

In addition, an appropriate sales process, matching metrics, a sales-oriented culture, and better engagement with top performers are crucial to increasing sales participation rates. "Sales managers are the key to ensuring that a company grows profitably," says Higgins. "Ultimately, the sales managers determine whether or not a company succeeds or fails."

— GEOFFREY JAMES

"We sometimes assign a sales manager to become a coach inside another part of the company and act as the customer's advocate."