

EXCEPTIONAL SALES IN A TOUGH ECONOMY

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Sales Management Advisors, LLC
Helping sales executives put accountability where it belongs

The Top Line

CEO Goals

What CEO doesn't want to increase sales? The challenge isn't usually whether to grow sales or not, but how to do it without adding significant cost and or risk. All too often growing sales means making sweeping changes to staffing, commission plans, territory alignment and/or processes. CEOs far too often buy into the need for overhauls rather than tune-ups - either on their own initiative or by acceding to the recommendations of their sales executives. Long before radical steps are required, we suggest that some simple, basic tweaks can make significant improvement in sales results that can drop profit to the bottom line.

Most sales improvement programs are like high-risk heart surgery - when what is really needed is physical therapy. Continuous small steps, implemented in the right order, enable companies to minimize disruption and grow better – both today and tomorrow.

Sales Organization Myths

How often have CEOs heard from their sales executive and/or sales force that the following are either current issues, or required to increase sales:

- We need more sales reps
- We need higher compensation
- 20% of our reps will always generate 80% of sales
- We need a new commission plan
- We need more leads
- Great sales reps are unique and cannot be managed

The Sales Executive's Job

To develop an effective sales organization which *consistently* and *predictably* meets or exceeds the company's *business objectives* with a *productive, scalable* sales force.

Sales Management Challenges

The four areas that have both the greatest impact on sales and the ability to be tweaked *without radical or risky steps* are:

- **Balance** – not accepting the 80/20 rule, i.e. 20% of sales reps will always deliver 80% of sales
- **Performance to Expectations** – expecting all reps to meet their quota - every month
- **Consistency** – sales throughout a period, not bunched at the end of months or quarters
- **Forecasting** – accurate forecasts for planning purposes by the rest of the organization

Addressing these four challenges is the answer to scalability, i.e. growing sales with your existing organization.

The Keys to Increasing Sales Results

There are three focus areas that when addressed together can have significant impact on sales results. Ask yourself the following questions to assess each area:

- **Turning sales activity into a process:**
 - Do you have a defined sales process?
 - Does the organization maintain sales tools for each step of the sales process?
 - Do you monitor each step in the sales process?
 - Is the sales process understood by the organization?
- **Alignment of the sales process with clear company business objectives:**
 - Do your sales reps have a compelling value proposition and target market?
 - Do the executive staff and sales organization use the same compelling value proposition and target market?
 - Do you monitor selling of your compelling value proposition to your target market?
 - Is your compelling value proposition and target market understood by the entire organization?

- **Setting individual *accountability* to clear expectations:**
 - Are individual sales reps' expectations defined and communicated?
 - Are individual sales reps held accountable for forecast accuracy?
 - Do you monitor individual performance against defined expectations?
 - Is the entire company held accountable for supporting sales process execution?

Where Do You Start?

If the answers to the above three sets of questions were not a clear and resounding “yes”, then there are some key initiatives that you can begin in your organization:

- Develop and enforce a *sales process*
- Create clear *alignment* between company business objectives and sales department objectives
- Define clear expectations for each sales rep, and begin holding them *accountable* for performance against those expectations
- Initiate monthly insights from sales reps

Monthly Sales Rep Insights

To instill and reinforce the kind of behavior that leads to increased sales on an ongoing basis, have your sales reps answer the following four questions at the beginning of every month - without fail:

- What was my biggest accomplishment for the last month?
- How did I do against last month's quota?
- How do I look for meeting this month's quota?
- What is the most significant hurdle I have in meeting this month's quota?

And the key is to look for and require specific, quality answers.

Steps to an Effective Sale Organization

Increase sales with the existing staff in your own organization
Create alignment between sales department and corporate objectives
Develop clear individual sales performance expectations
Establish accountability with consequences in achieving results

Conclusion

CEOs often did not grow up in the sales function, and therefore either believe in certain anecdotal approaches to manage sales reps, or have hired an experienced sales executive who knows how to do so. The issue then becomes whether the anecdotal tactics are true and really work, and/or how tightly does the CEO manage the sales executive, who is supposed to bring the right knowledge and skills.

Unfortunately, all too often the anecdotal approaches are incorrect, or have led to even greater sales problems. Or, the sales executive is able to convince the CEO of certain actions which either may not lead to the desired results or worse, may put sales at risk. Rather than sweeping changes or radical surgery, great CEOs initiate fundamental steps that encompass process, alignment and accountability to improve sales results - the same kind of leadership which they exert in every other area of their business.

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