Top 5 Mistakes Managing Sales People

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Agenda

- Sales Background

- Hiring Sales People - Predictable Process

- Sales Management for Non-Sales People (Top 5 Mistakes)

- Where is Mr. or Ms. Right?

- Conclusion

Sales Background

- Door to door student sales (1984-1990)

- Recruiting & training student sales reps (1990-1995)

- Startup technology (1996-1999)

- Large enterprise technology (2000-2005)

- Startup technology (2006-2008)

- Small business (2009-present, and personal experience with the mistakes described)

Starts with a Great Idea

- Business reaches a certain level

- Owner is ready to grow

- Willing to take a risk

- Should hire a sales person!!!

- It's going to be great

It's Not Working Out

- Revenue isn't coming as expected

- I'm spending a lot of money

- This was a bad idea

- I should cut my losses

- I need to let you go

What Happened?

1. Lack of sales process

2. Setting revenue only goals

3. Lack of short-term success

4. Didn't document sales activities

5. Poor compensation plan

Lack of Sales Process

- Early growth driven by
  - Personal relationships
  - Some niche expertise
  - Owner active involvement
  - Not based on a repeatable process

- Sales rep relies upon prior tactics
  - If they work now – hooray!
  - If they don't work – what do I do now?

- Can the sales rep 'figure it out'?
  - Did you hire a creative, motivated person?
  - Good luck or bad luck

- Future hires will go through same cycle

Revenue Only Goals

- Start date → Revenue varies by circumstance
  - Industry, product knowledge, relationships, targets
  - Hard to define without prior experience

- Poor results, many excuses, sales rep gone
  - Nothing of value remains after investment

- From the beginning, set goals for:
  - Define the sales process
  - Ideal customer profile
  - Referral partners
  - Prospect database
  - Call scripts or meeting outlines
  - Value proposition
  - Unique differentiators
  - Answers to objections
 - Competitive intelligence
  - Appointments set

Lack of Short-Term Success

- Sales people thrive on energy and momentum

- What can be accomplished in
  – First 7 days?
  – First 2 or 4 weeks?
  – First 90 or 120 or 180 days?

- Get the rep to outline his goals/plans
  – Buy-in makes it more likely to happen
  – Be thoughtful, find some success

- Accountability is good for everyone
  – Easier to make adjustments in small increments
  – No surprises if it doesn't work out

SMALL DAILY IMPROVEMENTS ARE THE KEY TO STAGGERING LONG-TERM RESULTS

Lack of Tracking

- Two problems
  - No CRM tool
  - No requirement to use

- CRM = Customer Relationship Management
  - Central repository for prospects, clients, partners, etc.
  - Track touches – meetings, phone calls, emails, etc.
  - Build KB of hot buttons, market, competitors, etc.
  - Helps you work smarter

- Doesn't have to be complex!
  - Any system can work – Excel, paper, whiteboard, post-it notes, or other. Lots of simple cloud tools. Just track your efforts!

- Have sales history if the rep doesn't work out
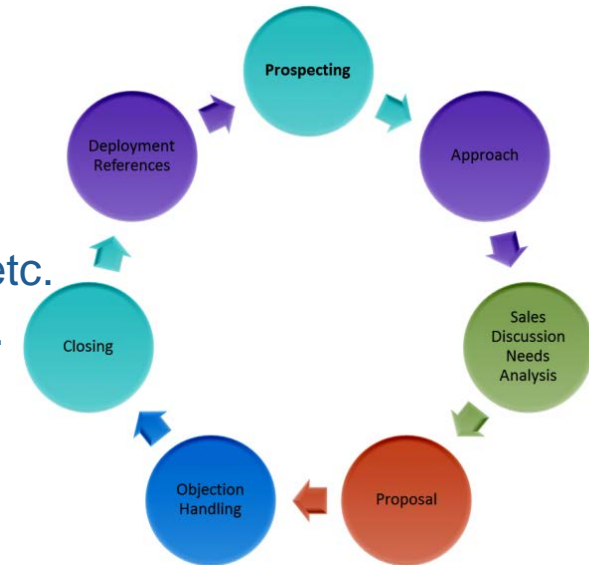
Appropriate Comp Plan

- Setting the 'right' plan is really hard
  - Want high goal – maximize your investment
  - Want low goal – the rep believes it's attainable

- Comp plan basics
  - Sales target or quota
  - On-target earnings
  - Base salary
  - Variable earnings

- Principles
  - Shared pain and shared success
  - Unlimited commissions
  - Consistency for given period

Finding Mr./Ms. Right

- Typical ways of finding him or her
  - Recruiter or advertisement, actively searching
  - Friend intro or word of mouth, reacting to opportunity
  - Excited about resume and personality – feels right, optimism

- The perfect candidate:
  1. Has successful sales track record
  2. Experienced in your product or industry
  3. Knows your specific prospects or territory

- Unless you get 2 of 3, don't hire!
  - Too much to learn if you don't have a strong base
  - Reduce risk and increase chances of success

Conclusion

- Growing sales is hard. Working with sales people is really hard!

- Growing sales is possible! Work smart, you don't have to make these mistakes.

- Be thoughtful before hiring someone
    - Organized plan for Top 5 mistakes
    - Must meet at least 2 of 3 requirements
    - Timetable for results and funding capacity
    - Who will do the training and mentoring?
    - What's your commitment level?

- Q&A / Discussion