

Sales management by trial and error
Overview - Salesforce management



Wrong first time?

Tick the statement that most closely reflects your own beliefs and/or company practice:

- A We give all newly-appointed sales managers comprehensive training in the theory and practice of salesforce management.
- B Trial and error is an acceptable way of learning to manage a salesforce.

If you ticked A you're in a minority. But congratulations, we wish you continued success, and if you're happy with the results you're getting you might as well stop reading now.

If you didn't tick A then, logically, statement B must reflect current practice in your organisation. You may not have thought about it in those terms - and you might not like us putting it that way - but if you promote someone into a new position, especially a management position, and don't give them any specific training in how to do their new job, isn't that what you're expecting them to do: learn by trial and error?

The very phrase, trial and error, implies that you expect your new manager to get it wrong first time, and maybe the second time ... and maybe even the third time.

Would you accept this in any other area of your business? Are your finances, production, marketing, inventory, R&D managed on a hit-or-miss basis by people un-trained to do the job? Highly unlikely. In fact we're prepared to bet that somewhere in your organisation, maybe even in your mission statement, there's a strong commitment to the principle of 'right first time'.

So why doesn't 'right first time' apply to management of your salesforce? Think of the possible risks and costs.

First, you've probably penalised yourself by promoting one of your best sales performers, so you've already lost their contribution to the sales budget. Now you've got a newly-appointed sales manager in a very lonely and exposed position. Despite their sales record, they've probably thought very little about the processes and skills of sales management. Yet now, with little more than gut feel and an activity reporting system, they have to manage a salesteam who, until recently, were their peers.

- Do they have adequate knowledge of methods for analysing their market, planning the best use of resources and controlling the implementation?
- Can they manage performance by leading, motivating, appraising and developing their team?

If not, they are likely to make one of two typical mistakes:

- Either they confuse management with tyranny and create a demotivating, command and control, carrot and stick culture.
- They abdicate from management altogether and simply become super-sellers, keeping the biggest and most interesting deals for themselves while the team degenerates into anarchy.

In both cases the effects on the sales team are similar:

- Failure to target activity strategically.
- Emphasis purely on volume of sales calls.
- Salesforce produce 'fictitious' activity figures.
- Lack of selling skills development.
- Declining sales figures.
- Weakening morale.
- Increased staff turnover.

If Trial and Error is starting to look like a rather expensive policy for salesforce management, maybe it's time to remember an old training axiom: give people the skills before you ask for the performance.

Getting it right first time

Good idea – ‘right first time’. Saves a lot of hassle, expense and keeps the customers happy.

It does, of course, raise one huge question: what is ‘right first time’? It’s fairly easy to define if you’re looking at a die-cast widget, but what about a function as complex as salesforce management?

Huthwaite is uniquely well equipped to answer this question. For almost thirty years we’ve had a single mission – to identify what the top performers, in varying areas of business, do differently, which makes them more effective than their merely average colleagues – and then teach others to do the same.

Much of our research has investigated the key success factors in making complex, high-value sales: skills like consultative selling, competitive analysis, writing proposals, making presentations and negotiation. Equally important has been our research into management skills like persuasion and influencing, teamworking, coaching and appraisal.

So when our clients asked us for a programme about Salesforce Management we were in the fortunate position of being acknowledged authorities on both complex selling and management skills. Only two questions remained:

- What were the absolutely essential knowledge and skills sets for effective salesforce management? (We needed a short programme for newly-appointed managers, not an MBA course).
- What is state of the art best practice in each key area?

Using focus groups, questionnaires, our own research base and secondary research into the analytical and planning processes used by the most effective sales managers, we came up with the answers.

Unsurprisingly, in this enlightened age, there was virtually equal emphasis on ‘hard’, quantitative issues and ‘soft’, qualitative issues. We call these the Head and the Heart topics that create the structure of the programme.

The Head

- The Marketing Concept – everyone talks about it, but what is the sales manager’s role in it?
- Tactical sales planning – how do you do it and what are the important elements?
- Sales activity management – what do you record, how do you analyse the data, and what do you do with the information?
- Key accounts – if they are so important, how do you organise the salesforce to manage them effectively and build lasting relationships?

The Heart

- Interactive management skills – management is getting things done through people; so how do you get them to do what you want?
- Motivation – we all need it, but what is it and how do you manage it?
- Leadership – does it exist or is it just a sexier word for management?
- Performance management – one of the great management concepts, but what does it mean to a sales manager?

These are the things a newly-appointed salesforce manager needs to know to give her or him a good chance to get it ‘right first time’. In the centrepiece spread is an overview of Huthwaite’s Salesforce Management programme that gives some insight into the answers we provide for these questions.

Overview - Salesforce management

Objectives

By the end of the programme each participant will:

- understand the marketing concept and be able to explain the salesforce manager's contribution to a marketing orientation
- be able to create a tactical sales plan to achieve optimum allocation of the total sales resource
- have an overall model for sales activity management and tools to gather, analyse and use activity data
- know the major options for salesforce organisation and be able to create a suitable structure for their market
- understand and use the principles of Behaviour Analysis to make their management interactions more effective
- be able to create effective motivation plans and policies for individual salespeople and the team as a whole
- have understood the difference between leadership and management and considered the leadership functions of a salesforce manager
- be able to explain the function of appraisal in the performance management cycle and have practised using appraisal as a management tool.

Target audience

Any manager, irrespective of their title, who is taking responsibility for a sales team for the first time. The programme is, of course, also appropriate for any sales managers who have not received formal training and feel there may be gaps in their knowledge or skills that the programme would remedy. NB for companies with only one or a small number of managers in need of training, Salesforce Management is also available as a Public Courses. Please ask for details.

Programme content

Module 1 – The Head: Analysis, planning and control

The sales manager in the marketing concept

- Definition of the marketing concept.
- Analysis of product, market, resources.
- Control elements: efficiency, targeting, effectiveness.

Building the tactical sales plan

- Defining market segments.
- Researching market size – establishing indicators.
- Prioritising customers by sales potential.
- Key account evaluation matrices.
- Choosing account strategies and allocating resources.

Sales activity management

- Sales efficiency through key ratio management.
- Defining key ratios in your sales cycle.
- Setting activity and sales targets.
- Designing and using sales performance records.

Key account management

- Options for salesforce structure.
- The relationship cycle.

Module 2 – The Heart: Interaction, motivation and performance development

Interactive management skills

- Concept of the skilled communicator.
- Behaviour Analysis – a tool to measure communication.
- The General Interactive Skills Model.
- Meetings management: chairing skills, 'filter' and 'amplifier' styles.
- Persuasion styles: 'push' and 'pull'.

Practical salesforce motivation

- The motivation equation – Expectancy Theory.
- Maslow, Herzberg and McClelland – different approaches.
- Analysing your salespeople: what has value for them?
- Improving Expectancy: self-belief – achieving ambitious goals.
- Motivation as a factor in recruitment and promotion.

Leadership

- Leadership and management – key differences.
- Leadership theories – strengths and weaknesses.
- Best fit approach – matching your style to team and task.
- Creating and communicating the vision.

Performance management

- Integrating the Head and the Heart.
- Appraisal as a management tool.
- Process and skills of effective appraisal.
- Action planning for performance management with your team.

Training design and methodology

This programme teaches a range of knowledge, processes and skills. To ensure continuity, a generic case study runs throughout the programme. Delegates play the roles of a newly-appointed sales management team and are required to analyse problems, recommend solutions and take part in management interactions as the programme progresses. At each stage in the case study participants are encouraged to compare their analysis with the model answer and complete action plans that apply generic principles to their own organisation.

Interactive roleplay exercises are performed in small groups and observed by Huthwaite observers using Behaviour Analysis. Delegates then receive objective feedback on their skill usage so that they can understand their strengths and weaknesses and begin to modify their behaviour into more effective patterns.

Materials

In addition to the case study and detailed model answers illustrating the practical application of key concepts, delegates receive a library of booklets covering the content of each major session in bullet-point format for ease of reference. Clients using the programme in-company may have the case study customised to simulate their own market.

Duration

Normally four days. Other timing designs are possible to suit individual clients requirements.

Faculty and group size

The programme is delivered by a senior Huthwaite consultant experienced, whenever possible, in the clients industry sector. Additional observer/coaches assist the training consultant during interactive sessions. To ensure that each participant receives individual attention and feedback, training group size is limited to a maximum of twelve.

What are these concepts worth?

As examples, one Head concept and one Heart concept. What would it be worth to you if your salesforce managers understood and used them?

Account evaluation and targeting

How do you select the key accounts where you will concentrate your limited sales resource?

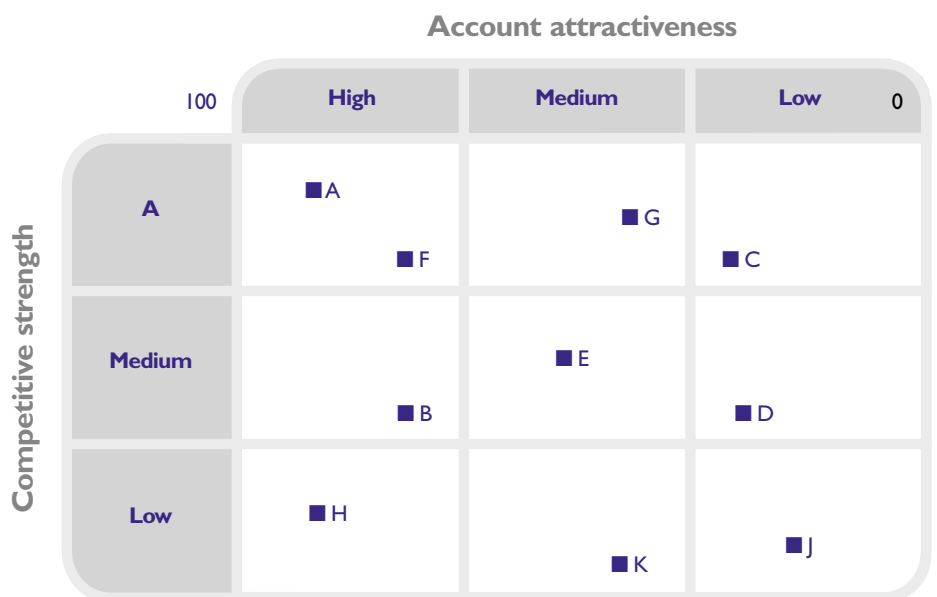
Size, is the common answer. Those that are the biggest users, or potential users of our type of product or service. There's an 80:20 rule isn't there?

Forgive us, but this is a bit simplistic. The 80:20 rule is properly known as the Pareto Effect, and what Pareto actually said was that a large percentage of effects (sales) tend to come from a small percentage of causes (accounts). There is no guaranteed 80:20 rule.

Certainly the Pareto Effect can be a helpful indicator, and we'll show you how to make a Pareto analysis. But this is only the starting point.

Size, as the saying goes, isn't all that matters. Consider other factors that might make an account more or less attractive. Is the decision process simple or complex? Is the account growing or shrinking? How good are the margins?

Now consider an entirely different set of factors. How much penetration do we currently have in the account? What is our share of the business compared with the strongest competitor? How many contacts do we have? What are the relationships like? In other words, what is our competitive strength? What is the probability of winning major business from the account?



So we have two sets of factors: one defining the attractiveness of the account and the other defining our competitive strength. We have a matrix!

If you want to get account targeting 'right first time', this is the tool for doing it. We'll show you how to build a matrix for your market.

Practical motivation

Seen any motivation sessions before? What did you get? Probably Maslow's Hierarchy of Needs and a bit about praise and positive thinking. Interesting stuff for a dinner party, but could you use it?

If you want a management tool that will help you motivate your people at a practical level you need a different approach that is universally accepted by psychologists but is for some reason ignored by management trainers.

Expectancy Theory is so obvious when it's explained that you wonder why you never thought of it yourself. It says, very simply, that motivation is the product of an equation that we all carry around in our minds and use either consciously or sub-consciously. The equation has three elements:

- **Expectancy** – your belief that you can achieve a desired outcome (level of sales).
- **Instrumentality** – your belief that achieving the first outcome will lead to the attainment of a second desired outcome (say, promotion).
- **Value** – the amount of subjective or objective value you place on the second outcome (promotion).

Showing the equation graphically makes even more sense. See opposite.



The job of the salesforce manager, therefore, is to work out what things have value for people collectively and individually, set objectives and make people believe they

can achieve them, and ensure they believe that achieving the objectives will bring the desired rewards. The most common mistake is to forget that the equation is multiplicative,

so if any element is zero, motivation is zero. Try it with the example above.

How does the salesforce manager do all this? We'll tell you on the programme.

Right every time

We've raised some frightening questions about the consequences of asking untrained people to attempt the complex and mission-critical job of managing your salesforce.

We have also tried to demonstrate that Huthwaite's Salesforce Management programme has been carefully structured to give delegates the knowledge and skill to approach optimum performance from day one in the job.

Consider the payoff for your organisation if all your salesforce managers could get it right first time and right every time. Then give us a call and arrange an exploratory meeting with a Huthwaite consultant.

I need further information



Please have a Huthwaite consultant contact me.



Please send me more information about Huthwaite International and the following skill sets:

- Developing major accounts
- Key account management
- Presentations & proposals
- Sales awareness for marketing
- Winning business from corporate entertaining
- Coaching skills
- Negotiation
- Sales management skills
- Selling skills

How to contact us



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