

Advice to a New Sales Manager

Written by Steve Marr

Friday, 07 September 2012 01:26

Mike (not his real name) just accepted a new position as a sales manager supervising 22 salespeople. While he is new to the company, he understands the industry. My advice to Mike applies to most businesses. Senior management wants improvement; otherwise they would not have brought in an outsider. He must prove himself quickly.

I reviewed Pareto's 20-80 law with him that says 20% of the sales activity likely produces 80% of the results. The question is what is the 20% work that produces 80% of the results? He must learn this fast.

Mike needs to identify the top four sales people and find out how they generate sales. He needs to explain to them that they are the strongest producers and will not be fired. Then he needs to say to them, "I want to see your daily schedule in 15 minute increments. I need to know how you spend your time. I need to understand how you are delivering such excellent results." They won't like doing this because they would rather spend their time selling, but this is the quickest way to learn what is making the difference. The report needs to be turned in first thing every Monday morning. In addition, he must ask for the same report from the rest of the sales force. This reporting should last for 30 days.

Mike needs to understand how much time the sales force devotes to each part of the sales cycle which includes prospecting, qualifying customers, presenting and closing. Also, he must understand the details and order of each step and why that order works. Most businesses learn what specific sequence of steps results in the highest sales. Mike needs to discover this pattern. The Lord spoke to Moses and instructed, "Be sure that you make everything according to the pattern I have shown you here on the mountain." (Exodus 25:40, NLT) God designed the perfect pattern; Moses simply executed it. Likewise, when you discover what the best sales pattern is, make sure everyone uses it.

For the first 30 days I advised him to avoid most sales meetings. They are time killers. His time should be focused on understanding how the best salespeople produce. A common mistake that a new sales manager makes is to focus on weak performers. They waste time on unproductive people. They fail to understand why they are unproductive.

Mike's key focus for the first two months is to understand the difference from the 30 day reports. He must identify successful patterns as well as what isn't successful. Mike's goal is to identify

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and document the changes that will start improving the performance of lower producers.

Then, Mike should meet with the sales staff and offer revisions in the sales process. He must communicate this message in a way that shows benefit to everyone. His message might go something like, "I think this revision will make us all more money. I need your cooperation with this test. If it works, we all win. If it fails, I will drop it. We need four months to test it." You want to make this a team effort. Make sure everyone understands that there is job security during the testing time. This will help to keep morale up.

Next, Mike should furnish a structured plan to each person. He should explain how he will receive feedback on how the new system works.

Mike needs to pressure the weaker performers to adapt to the methods of the successful. He can start with insisting that each person change work habits one day a week and allow them to keep the same schedule for the rest of the week. Over time they will learn that the new system works better. As their commission income increases, motivation to adapt will also increase. This motivation is more effective than the threat of firing.

If someone resists, explain, "If you can raise sales by 10%, then you can alter the procedures. If you can't increase your sales your way, you need to follow this plan." At the same time, Mike should leave the top producers alone. Don't mess with success.

After six months Mike should be ready to terminate anyone who fails to comply with the new procedure. The message is simple: follow the new system and enjoy the rewards or you will be let go. Within the first year Mike will probably have to dismiss 4 or 5 who fail to meet the new standard. As he adds new employees who are trained on the sales system, the turnover should be reduced.

While Mike implements the plan, he needs to share the plan and progress with senior management. They need to understand that he is implementing a plan and what results he expects in what time period. Mike must emphasize that while some changes may happen quickly, dramatic results will take a year.

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If Mike can endure his first six months and be able to implement a plan that will bring increases, he is likely to have a secure job in a volatile economy.

Steve Marr, Your Christian Business Coach

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