The Sales Manager's Guidebook

Module 1
Sales Planning & Target Setting

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The Sales Manager's Guidebook – Module 1

Welcome to Module 1 of The Sales Manager's Guidebook. In this module we will look at sales planning and targeting, developing an appropriate management style, taking over new sales teams, managing the sales effort and recruiting and selecting sales staff.

This resource can be used by Sales Managers to develop their own skills as well as Trainers wishing to produce training sessions around the material contained in this module.

The module contains information on each topic as well as checklists, exercises and team activities.

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THE SALES MANAGERS ROLE

A guide to the job of sales manager and how to assess where you currently are

One way to describe the Sales Management Role is that the Sales Manager achieves sales targets through the effort of the sales team he or she manages. Within the overall definition of sales management there are a number of key roles that can be identified that need to be carried out by a manager if he or she is to be judged competent.

SALES PLANNING
Agreeing and setting objectives
Analysing sales results
Analysing previous salesforce activity
Identifying business opportunities
Reviewing the market
Sales Forecasting
Planning the sales effort
Producing sales budgets

SALES MANAGEMENT
Recruiting and selecting staff
Developing sound procedures and systems
Producing Training and Development plans
Training members of the sales team
Building strong, successful teams
Leading and motivating team members
Managing Communications inside and outside the team
Managing time effectively
Selling
Sales accompaniments
Delegating appropriate tasks
Maintaining high standards of discipline
Reviewing sales team and individual performance
Counseling team members where appropriate
Identifying shortfalls in performance
Correcting shortfalls in performance
Achieving sales team objectives

SALES ADMINISTRATION
Maintaining accurate records
Carrying out correct reporting procedures
Achieving company administration standards
(both personally and on behalf of the team)

DEVELOPMENT EXERCISE 1.
THE SALES MANAGEMENT ROLE

A look at how you currently approach to your job

For each aspect of the Sales Management Role, listed below, mark your current performance against 3 criteria.

1. Your effective use of time
2. Your understanding of this aspect of the job
3. Your need for development

SCORING SYSTEM

1. For effective use of time, score marks out of 10, where 10 is fully effective and 0 is totally ineffective
2. For understanding of the job function, score marks out of 10, where 10 is full understanding of how to perform the job function and 0 is lack of understanding
3. For development needs rank each as being either (a) no need for further development, (b) needs further development, or (c), needs development as a priority

INTERPRETING THE RESULTS

When you have completed the exercise you will be aware of your current use of time, understanding of the job and future development needs

Go to the action plan at the end of the book and write down 2 ways in which you currently approach your job, where you need to spend more time, and 2 ways where you need to spend less time. For example you might identify you are spending too much time selling and not enough time with members of your team.

Pick out 2 aspects of the job where you need help in carrying out your day-to-day work. Discuss these with your manager

Rank your development needs in order of importance. The majority of these will be covered during this programme; however, your company may provide other training opportunities that could help with developing your skills.

The exercise may leave you feeling dissatisfied with where you are currently, in terms of your development. Don't worry. Skills development takes a lifetime. The important thing is that you have begun the process of self-development that will, in the long term, make you a more effective manager

DEVELOPMENT EXERCISE 1

JOB ROLE	Time use	Understanding of the job	Development needs
SALES PLANNING			
Agreeing and setting objectives			
Analysing sales results			
Analysing previous sales force activity			
Identifying business opportunities			
Reviewing the market			
Sales forecasting			
Planning the sales effort			
Producing sales budgets			
SALES MANAGEMENT			
Recruiting and selecting staff			
Developing sound procedures and systems			
Producing training and development plans			
Training members of the sales team			
Building strong, successful teams			
Leading and motivating team members			
Managing Communications inside and outside the team			
Managing time effectively			
Selling			
Sales accompaniments			
Delegating appropriate tasks			
Maintaining high standards of discipline			
Reviewing sales team and individual performance			
Counseling team members			
Identifying shortfalls in performance			
Correcting shortfalls in performance			
Achieving sales team objectives			

SALES ADMINISTRATION Maintaining accurate records Carrying out correct reporting procedures Achieving company administration Standards			

MANAGEMENT STYLES

How management styles change and how to identify your preferred style

When we use the phrase management style we are normally referring to the ways in which different people carry out the role of manager. Given the same job, it is likely that no two managers would probably manage the job in exactly the same way. The two central aspects of management behaviour that have been identified are task and relationship. Task being the emphasis placed on achieving work results and relationship the emphasis placed on the well-being of people in work teams, their morale and general development.

In extremes we can observe ineffective management styles:

COMPLETELY TASK ORIENTATED

The work being completed is everything to this manager, irrespective of the feelings or well-being of the people in the team. In the short term and in crisis this style can produce results, but longer term, focusing on nothing but the task can be counter productive. Team members fail to develop and gradually become frustrated and bored. Can you think of a manager you have known who displayed these characteristics? What was that person like to work for and how successful was this style of management?

COMPLETELY RELATIONSHIP ORIENTED

Taken in the extreme, this manager is less concerned with the job getting done, than with morale, team spirit and inter-team relationships. In the short term it can be fun to work for this type of manager but longer term, people need to feel successful and achievement of the task is a prerequisite for success. Have you worked with a manager who has displayed these characteristics? What was it like to work with him, or her, and how successful was this style of management?

There is no right or wrong management style. Different styles will be more or less effective depending on:

- The maturity of the work team
- The situation

An immature work team, that is a new team that has recently been brought together, or one that is not successful, will tend to respond better initially to a high task \ low relationship kind of style. The manager tells the team what to do, when and how to do it and keeps a close eye on the team at work.

As the team matures and gets to understand its role and the various tasks it needs to perform it does not need such strong hands-on management and the manager can concentrate more on relationships within the team, put less emphasis on overseeing the task and more on developing the skills of individual team members.

Gradually as the team becomes more 'mature' the manager can spend progressively less time managing the task and the relationship, and can begin to delegate more and give the team more decision making authority, confident in its ability, to a large extent, to manage itself. This is a mature work team.

However, even in mature teams the situation can change. The company, for example, could have a severe financial crisis in which case the manager may need to become more task oriented and less relationship oriented, making unpopular but necessary decisions.

The lessons for new managers to learn is that:

Most managers have a style of management they prefer

Management styles should change to suit the situation and the maturity of the team.

DEVELOPMENT EXERCISE 2. MANAGEMENT STYLES

Read the following case study, and then answer the questions on the following 2 pages

Graham Jackson has been appointed Regional Sales Manager for Scotland for the Britannia House Insurance Group based in Edinburgh. He has a team of 30 people working for him that includes a direct salesforce of eight people, a telesales team of five, administrative back-up, an assistant sales manager and a secretary.

He has come into the region at the worst time in its history. There has not been a permanent manager on-site for 18 months and the team is lying bottom in the league table for both direct and telesales. The quality of administration is woefully inadequate and morale within the team is rock bottom.

He has a very strong authoritarian style and he is convinced that, given the strengths and weaknesses of the existing team, he can bring them success. He begins the process by imposing high standards in every area of the business including discipline, dress, quality of written work, activity levels etc and motivates the team leading from the front. Slowly but surely the teams' results begin to improve.

The team begins to regain its self confidence, there is real enthusiasm and the working environment becomes much more lively and positive, with Graham very much the hands-on leader involved in decisions at all levels.

Graham continues to monitor every aspect of the team's performance in detail demanding higher standards all the time. The team continues to do well and is very soon out-performing other more traditionally successful teams in other parts of the UK. Within 12 months they are lying third from the top of the league table in direct sales and second in telesales. They have also won an inter-company award for good customer service.

A few months later Graham is in his office reading through the activity reports for that week when his assistant comes to him and says he has the chance to negotiate a contract with a major new customer in the area. If it comes off it will be a major coup for the region. Graham says: "Don't worry. Leave it with me and I'll sort it out".

An argument develops and his assistant offers his resignation. Graham is taken aback. The assistant tells him that morale in the team is back at rock bottom and that others have told him they are actively looking for alternative employment. Graham loses his temper and accuses his assistant of being disloyal.

"When I came here" he says "this team was the worst in the country and I have made it one of the best. I work long hours for this team and all I get is complaints" His assistant leaves the room and Graham goes back to work checking final copies of all the office correspondence for grammatical errors and spelling mistakes. "Ungrateful" he says to himself, "that's what they are, ungrateful".

DEVELOPMENT EXERCISE 2. MANAGEMENT STYLES

Based on the information you have read, answer the following questions:

1. Describe Graham Jackson's preferred management style?

2. How effective was his style when he joined the region? Why?

3. How effective is it now? Why?

4. What is Graham's problem now?

5. What steps can he take to remedy the problem?

6. If you were Graham's manager, what advice would you offer him?

DEVELOPMENT EXERCISE 2. MANAGEMENT STYLES

Here are some answers to Graham's problem.
Compare them with your own.

Graham is almost totally task oriented. He is an excellent crisis manager because he is highly skilled at setting standards and managing the task. He doesn't worry if a few people get upset in the process as long as targets are beaten and the team is efficiently organised and run

When he joined the region he was highly effective because he gave members of the team very clear objectives and set high personal standards of behaviour. After spending so long without success Graham's approach was a breath of fresh air and morale within the team was restored

However, as the team achieved more success there was less need for him to check things in such detail, although every need to maintain high standards. His inability to delegate effectively meant that people became frustrated in their jobs and the quality of their work began to suffer, along with deterioration in team morale

His problem now, is letting go. This does not mean abdicating responsibility, but recognising that the skill of a manager lies in achieving results through people. It is possible that he lacks confidence and needs to recognise that if the team is going to continue developing he will have to give members of the team more responsibility and more of the credit for its success

There are several steps he could take to move things on. Firstly he could meet with his managers and supervisors, as a group, and review progress to date and put together a plan for the future. He could carry out appraisals to review the individual performance of team members and begin the process of delegation in a structured way. He could also thank the team for their efforts and ask for ideas from within the whole team to improve future performance. There are many things he could do, but will he?

His manager would benefit from spending time with Graham, seeing what he is doing on a day to day basis, carrying out an appraisal with him, that will help Graham to recognise his strengths and weaknesses and hopefully help him realise he has a problem. Graham needs to understand that by letting go a little bit he will have more time to look after the development of the team and recognise future opportunities to make his team even more successful.

DEVELOPMENT EXERCISE 3. THE NEW MANAGER

This case study relates to a new manager taking over a sales team

Ann Watson has recently been promoted to Sales Manager, with a sales team based in the North East of England. She has previously worked in several parts of the country in sales and this is her first Sales Management role. She is excited about the challenge of her new job and is anxious to achieve results as quickly as possible.

Her predecessor was Tim Hartley, a longtime employee of the company, who had been in charge of the North East team for eight years. Tim Hartley was liked by his team despite being a hard taskmaster. He had particular ideas about managing people, which basically meant that if you were doing well he left you alone and if you were failing to achieve adequate sales results he would, in his own words, "Come down on you like a ton of bricks".

When Ann was interviewed for the post she was told that three members of the sales team had also applied for the manager’s job. One of these people is a close personal friend of Ann’s family and there is a strong possibility that Ann’s appointment might affect the relationship.

Of the two others, one has rung Ann wishing her success and offering any help that Ann may need in her new role. Ann has heard on the grapevine that the other unsuccessful candidate for the job is making known his dislike for Ann and telling people that Ann is too inexperienced to follow in Tim’s footsteps.

Ann has spent three days in the job getting to know everyone in the office and the systems that are in place. As yet, although she has spoken informally to members of the sales team, she has not met with them formally. A sales meeting has been planned for five days’ time.

Ann's Divisional Manager has told her that he feels that the North East team has become complacent and lazy. Results in the last six months have been poor and if they don’t improve there may need to be a cost cutting exercise, that may involve staff reductions, both with administration and possibly within the sales team itself.

DEVELOPMENT EXERCISE 3. THE NEW MANAGER

Having analysed the situation, if you were Ann what would you do:

1. immediately
2. in the next two weeks
3. over the next three months

1. IMMEDIATELY

2. IN THE NEXT TWO WEEKS

3. OVER THE NEXT THREE MONTHS

DEVELOPMENT EXERCISE 3. THE NEW MANAGER

Here are some answers to Ann's problem.
Compare them with your own:

Ann should be careful not to make the common mistakes that are made by new sales managers. She should first of all meet with her line manager and get her own objectives agreed

She should find out what she is expected to achieve and in what timescale. She should work with her manager and prioritise her various objectives and negotiate how they will work together, what the manager's information requirements are and what support might be available to her

She will then be best advised to spend time, as she has started to do, in looking at how the team works as a team, the systems that are in place and getting to know the people. At this stage it is often a good idea to listen rather than tell and to avoid the temptation of reorganising all the systems until she is settled in the job

She has called the team together for a meeting and this will begin the process of her getting established as the manager. She should be careful not to try and win everyone over at the first meeting, as it is likely some team members will need time to adjust to her leadership style

One good tactic for the meeting is to get team members to make presentations on their progress to date and give information on your overall objectives and plans for the future; being careful not to knock the previous regime. She can then give the team her overall objectives for the next few months and begin the process of defining and setting standards of performance

If there are team members who are unhappy with her appointment, she should be careful not to attack them publicly at the first meeting. She might end up by uniting the team against her. Far better to meet with them individually and let them air their frustrations in private. She can get a very strong message across at this stage that while she understands their frustration, everyone has a job to do and targets to meet

If at a later stage they continue to cause problems, this then becomes a disciplinary problem that she will have to deal with. She must, however, set high standards and keep to them. In the long term this will earn her the respect of the majority of the team and bring improved results

Over the next 3 months, Ann can begin to implement change and work on developing the individuals who make up her team. In the early stages she should be task oriented and once the team begins to achieve better results, she can focus more on relationship issues

She also needs to keep her manager informed of her progress and keep the team informed as to how they are performing. Her style will be very much hands on and this will probably remain the same until the team begins to really perform and achieve results

The overall message to Ann is to take her time and not be forced into taking action without thinking through her overall strategy. There is a Latin phrase that says festina lente, which means hurry slowly and this represents good advice to anyone in
the position of taking over a new work team

TAKING OVER NEW SALES TEAMS

When taking over a new sales team that you have not managed before, here are 20 ground rules that can help to improve your likelihood of success

1. Take your time
All new managers want to be successful and will quickly see changes that need to be made. However, success does not come overnight, so make a mental note to take your time before making changes or expressing opinions.

2. Understand why you were promoted
You were promoted because people felt you had the ability to be successful. It is natural to feel nervous when taking on a new challenge, however, be aware that most people will want you to do well and help will be available both from inside and outside your sales team.

3. Find out your objectives and timescales
Don't forget you have a manager who should be aware of what you are expected to achieve and how much time it should realistically take. You need a clear idea of objectives and priorities before taking on the role as sales manager.

4. Manage the relationship with your manager
The ability to manage 'upwards' is equally important as the ability to manage downwards. Make best use of the knowledge and experience of your manager and don't be afraid to ask for help if you need it.

5. Get to know the team
Management is about achieving results through people. Take time to get to know the team and avoid making snap judgments about people's abilities. Avoid the temptation of making quick changes or expressing opinions until you have had time to analyse the true situation. Be aware that the team will need time to get used to you and your unique style.

6. Find out how the team works
Take time to find out the systems and procedures used by the team. Again, avoid making comments or changes until you have had time to study the whole situation.

7. Analyse the teams results
Look at what the team has achieved in the past. What does it tell you about the teams' strengths and weaknesses? Are there areas of individual performance that may cause concern?

8. Analyse how the team works as a team
Observe what goes on when the team is at work. How good is team spirit and morale? Does the team have common understanding of its goals? How much support does the team give itself? How can you influence the team as its new leader?

9. Set high standards for yourself and the team
People respond well to high standards of performance in their manager and will perform much better if they have a clear idea of what is expected of them. If you set high standards for yourself make sure they are attainable by others and that team members can see the benefits from having high standards within the team.

10. Explain what you want to achieve
Tell the team what you see as your vision for them and yourself. No matter where the team is now, if it has a common view of where it is going there is a greater likelihood of the vision becoming a reality. Ask for the team's views and ideas. The team is more likely to 'buy' your vision if it has a chance to contribute its own ideas.

11. Lead by example
This is a powerful way of influencing team behaviour. If you insist on good timekeeping for example, make sure you practice what you preach.

12. Support Senior Management
You can enhance your credibility within the team by supporting the company and its decisions even though, at times, you may feel they have got it wrong. You are the main contact between the team and senior management. An important part of your role is to ensure each knows how the other feels and the team understands the reasons for decisions by senior management.

13. Meet with the team individually
Once you have settled in to your new role take time to meet with individual team members. Find out their goals and aspirations. Communicate your vision to them and get their commitment to you and the rest of the team.

14. Encourage success
This can be done by praising positive behaviour within the team, but also by reprimanding team members who behave in a negative way. Praise in itself is not enough as a motivator. Lack of discipline and failure to reprimand for negative behaviour can demotivate others in the team.

15. Maintain high standards
Having set standards for the team these should be maintained so that everyone in the team knows the 'rules' and sticks to them. If you set high standards there is a good chance they will be achieved. (This is equally true of low standards!)

16. Be sensitive to the needs of the team
Part of a competent manager's job is to be aware of how the team is feeling at any particular time and to understand that the team is made up of people, not machines. There may be conflict between supporting senior management and looking after the interests of the team. This makes the manager's role challenging and worthwhile, but never easy.

17. Manage inter-team relationships
Teams do not work in isolation. They need the support of other teams in the organisation to be successful. Develop your network of managers and others and encourage the team to do likewise.

18. Pay attention to detail
Successful managers know what is going on in their teams and pay particular attention to detail. This improves the overall quality of their work and keeps the team on its toes.

19. Involve the team in goal setting
Wherever possible give team members the opportunity to contribute to the goal setting process. This increases the commitment of the team to its own success and helps build team spirit and morale.

20. Give regular feedback to the team
Tell the team, as a whole, and individual team members how they are doing. This is a positive aid to motivation and helps to encourage repeat behaviour. Also, get some feedback about how you are doing. It can feel uncomfortable at first, but is a powerful tool for your own self-development.

DEVELOPMENT EXERCISE 4. THE SALES CONFERENCE

The following activity can be used at team meetings to improve inter team relationships and communication skills

To carry out this team exercise break the team into groups of 3, or 4 people, plus an observer and announce that you have a problem for them to solve and the team that gets the first correct answer wins.

Here is the problem:

John Smith is a Sales Manager and he has 5 people in his sales team:

Alan Jones
Mary Baker
Judith Armer
Harry Lonfield
Keith McShane

They all attended a conference recently and were allocated 6 seats, in the front row.

They were given numbers 3 to 8.

You have 20 minutes to work out, from the4 pieces of information supplied, who sat next to who. There is only one possible solution.

1. Alan sat next to Judith in a higher numbered seat.
2. Keith was not in seats 3 or 8.
3. John's seat was 2 numbers higher than Harry.
4. Mary's seat number was odd and Judith's even.

DEVELOPMENT EXERCISE 4. THE SALES CONFERENCE

In your group, answer the following questions about the previous exercise:

1. How did your group go about solving the problem?

2. What actions, within the group, helped to solve the problem?

3. What actions made problem solving difficult?

4. If you were given the problem again how would you go about solving it?

DEVELOPMENT EXERCISE 4. THE SALES CONFERENCE

SOLUTION

The problem cannot be solved just with the basic information, so some lateral thinking is required to find a solution. Instead of trying to work out who is sitting where, the trick is to work out who isn't sitting where. The key piece of information says that ...there is only one possible solution

Taking seat 3 as an example, seat 3 must contain either Harry or Mary. As there is only one correct solution to the problem we can assume for the sake of argument that seat 3 contains Harry.

This puts John in seat 5, which means that Judith cannot be in seat 4 as she is sitting next to Alan. Harry is in seat 3 so the only other person who could be in seat 4 is Keith. Because John is not in seat 8 seat 8 must contain Judith and therefore seat 7 must contain Alan. This puts Harry in 3, John in 5 and Alan in 7, but this cannot be the solution because Mary is not sitting in one of the odd seat numbers, as it says in the brief.

This means our initial assumption was wrong, Harry was not in seat 3 and therefore seat 3 must contain Mary.

By using the same process of deduction with the rest of the clues we find the only solution to be:

Seat No.	Team member
3	Mary
4	Judith
5	Alan
6	Harry
7	Keith
8	John

When the team has solved the problem, ask them to complete the team review sheet and lead a discussion based on their answers

The most common outcome is that, eventually, the groups will solve the problem.

The learning points are that with better communication and planning, the achievement of the task would have been made much easier

SALES PLANNING AND TARGETING

A look at the basics

Most of us in sales are set sales targets. These are clear objective measures of what we need to achieve to be successful. In order to achieve our targets we need to translate them from module targets, expressed in units of products or services, or Financial targets expressed in revenue or profit terms, into levels of sales activity It can be daunting to receive an annual or a quarterly target and we need therefore to break this down into daily sales activity

The overriding principles that we need to understand when looking at sales targeting are:

1. Key Ratios
2. The Pareto principle applies: i.e. 80% of our business comes from 20% of our customers
3. Lead times

KEY RATIOS

The amount you sell, in the medium to long term, is directly related to the number of customers, or potential customers that you contact. Sales techniques help us to become more proficient in sales; however, ratios exist that can help us predict how much sales activity (input) is required to achieve a certain level of sales (output). Of course we can never be totally sure if the next telephone call we make will result in an appointment being made, or that the next sales call will result in an order. Over the medium to long term, however, we will see ratios begin to emerge that will be fairly constant over time.

Two examples of key ratios that could influence your sales success:

Telephone Calls: Appointments made
Appointments made: Sales Agreed

THE PARETO PRINCIPLE

This principle says that 80% of our business is likely to be generated by 20% of our customers. We need therefore to devote a greater proportion of our time to our 'key' accounts in order that we can make best use of their sales potential.

Let us look at a simple example of how key ratios can help us to break down targets into sales activity. Let us assume, for the example that follows, that there is no repeat business involved:

Example

Annual target	£630,000
Average sales value	£14,000
Number of sales required	45 per annum
Number of weeks	45
Average sales per week	1
Appointments : Sales	5:1
Appointments per week	5
Telephone calls : Appointments made	6:1
Sales leads required per week	30

So, we are saying, on average, we need to make six telephone calls in order to book an appointment. Of the appointments we carry out, on average, one sale results from five appointments.

Therefore, we need to make:

225 appointments in order to make 45 sales (ratio 5:1) and in order to book those appointments we need to carry out 1,350 telephone calls during the year (ratio 6:1). This then has implications for our marketing efforts in that we need to find over 1,000 potential customers to contact if we are going to achieve our target.

LEAD TIMES

Another important aspect of sales planning of which we need to be aware is lead times; that is, the gap between our initial contact with a customer and the final agreement being reached and the sale closed.

Lead times will vary between industries and can be anything between 1 week and 2 years. What they do mean is that there will be a time lag between activity and results.

If you work to long lead times the results you achieve today may have been earned in previous months, or even years.

Sales techniques can help reduce lead times by making the decision to purchase more urgent and increasing potential customers' general awareness of the benefits of our products.

The main learning point for us all in sales is to keep our activity levels, that is the number of customers we see, as high as possible, and to measure and understand our lead times so that we can anticipate and programme into our activity sales that will occur, not just this week, but also in the future.

We can also avoid the temptation of slowing down when our results are good. Lead times mean that, by doing this, our results will suffer in the future. One of the secrets to sales success is to achieve consistent levels of activity over the long term. If we do this, key ratios and lead times will ensure our success.

SALES TARGETING

Planning the efforts of others

One key role of a sales manager is the targeting of the Sales Team. Targeting is an integral part of a salesperson's job and the effective use of sales targets is a vital skill for sales managers to master.

Most salespeople are targeted on the results they achieve. As we have seen, these outputs can be measured in financial terms or in module terms. An example of this could be sales turnover for the period, or number of units of each product sold.

However, there are problems in targeting outputs alone. Targeting outputs:

- Does not always promote 'positive behaviour' in salespeople
- Can demotivate the salesperson
- Is difficult to 'manage'

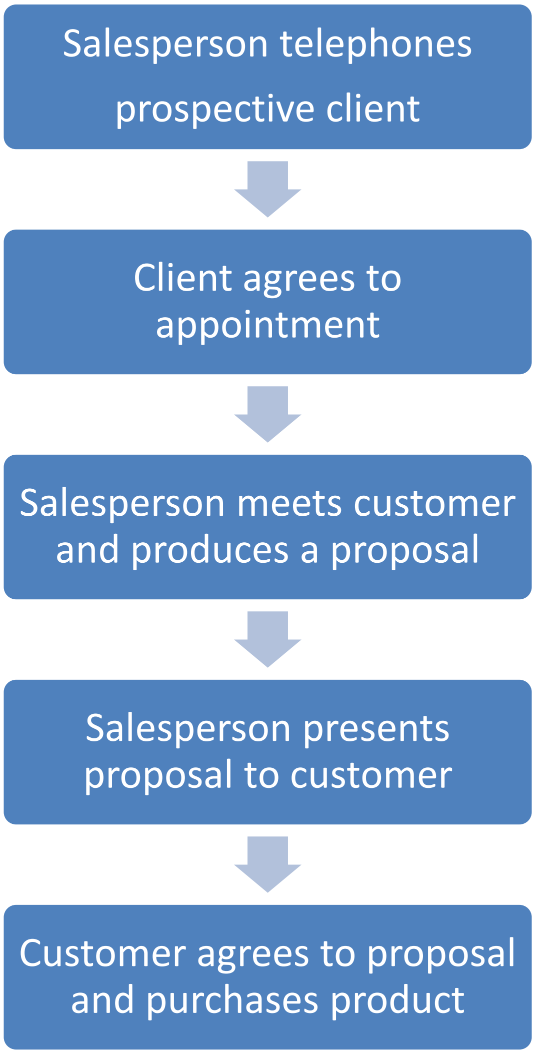
Salespeople who are only targeted on outputs are potentially able to manipulate the system and may act in ways, which don't benefit the delivery of profitable sales. They may take short cuts and concentrate on activity that produces short-term results. They may feel unwilling or unable to concentrate on activity that produces benefits in the medium to long term.

Targeting outputs only can demotivate in two ways. Firstly, if the target is set too high and the salesperson feels it is unachievable there is every possibility that he or she will feel it is not worth trying to achieve the impossible. Similarly, if the target is too low, the salesperson may achieve target quickly then stop trying to achieve more, because he or she has no incentive to do so.

Targeting outputs can be difficult to manage because of the lead times between the initial sales activity and the completion of the sale. This means the manager cannot link today's results with today's activity and is therefore left with no choice other than to try and influence the salesperson by giving general advice on the whole spectrum of sales and organisational skills. As a motivational technique this is ineffective.

The most efficient way to target salespeople is with a combination of 'inputs and outputs' that follow the whole sales process from beginning to end. This works on the premise that salesforce activity i.e. the number of sales calls made, directly influences results.

If we break down our sales process it may look something like this:



Also, there may be several processes that apply to different products, or customer types.

As sales managers, we need to measure the outputs, such as the £ value of sales generated, and their profitability, as well as the mix of products sold, against plan. However, we also need to measure how effectively the salesperson managed their time in achieving those sales and how effective they were at the various aspects of their job.

This means tracking the sales process and measuring inputs:

How many telephone calls were made in the period?

How many were converted into appointments?

How many appointments produced proposals?

How many proposals were converted into sales?

What was the average value of each sale?

What was the average cost of each sale?

This process helps the sales manager to keep track of how well the team and individuals are performing and historical data can be used to forecast future business.

SALES PLANNING

A guide to preparing sales plans

All of us in sales, if we are to be truly successful, must recognise the need for sales planning and be able to produce a sales plan for ourselves whether as salesperson, or sales manager.

The sales planning cycle can be described as follows:

1. Set objectives
2. Identify resources
3. Produce plan
4. Implement plan
5. Review results and amend plan

Objectives need to be:

Achievable but challenging
Realistic
Understood by everyone
Measurable
Time bound

A simple example could be the objective to sell £100,000 worth of Product X in the twelve months commencing 1 April. Other objectives could relate to market share, market penetration, the proportion of turnover in relation to key accounts, sales activity levels, profitability targets etc.

Resources need to be included in the sales plan, as it may be necessary to recruit or bring in additional resources for particular targets to be met. Also production capacity will need to be taken into consideration.

The plan itself needs to be flexible and to take into account any likely changes in the market, unforeseen factors (such as staff turnover and recruitment) that reoccur and any other external factors that could affect achievement of the overall objectives.

Once the plan begins to be implemented it needs to be reviewed on a regular basis and changes made to the original plan as circumstances dictate. Remember, sales plans cannot be written in stone and need to be flexible enough to deal with those unforeseen circumstances that affect all businesses.

A typical sales plan should include the following sections:

SECTION	DESCRIPTION
Sales Objectives	Short, medium and long term objectives that relate to the objectives of the overall business. Analysis of sales strategy.
Resources	This should include details of key players in the team, sales budgets, equipment etc.
Market Analysis	A review of the market which looks at the market now and in the future. This can include analysis of competitor activity and an analysis of existing Accounts.
Product Range	The range of products or services available for sale, new products to be introduced, old products to be discontinued. The likely ratio of volumes of each product that is expected to be sold.
Activity Analysis	Review of targeted activity levels by salesperson and by product. Statement of Key Ratios and average lead times.
Training Plan	A training needs analysis of the individual/team that relates directly to objectives.
Resource Requirements	Cost \ Benefit analysis of resources, manpower, equipment, finance etc., required to achieve sales objectives.

DEVELOPMENT EXERCISE 5. PROBLEM SOLVING QUIZ

A bit of fun

QUESTIONS

1. How many years did the Hundred Years War last?
2. In what month do the Russians celebrate the October Revolution?
3. In which country are Panama hats made?
4. From which country do we get Peruvian balsam?
5. From which animal do we get catgut?
6. Where do Chinese gooseberries come from?
7. Louis XVIII was preceded by how many French Kings called Louis?
8. What kind of creatures were the Canary Islands named after?
9. What was King George VI's name?
10. What colour is a purple finch?
11. In what season of the year does Shakespeare's A Midsummer's Night Dream take place?
12. What is a camel hair brush made of?
13. How long did the Thirty Year War last?

ANSWERS

1. 116 years - from 1337 to 1453.
2. November.
3. Ecuador.
4. El Salvador.
5. The sheep.
6. New Zealand.
7. 16 - Louis XVII was never a King.
8. A breed of large dogs.
9. Albert.
10. Crimson.
11. Spring (29 April to 1 May).
12. Squirrel's hair.
13. Thirty years of course (1618 to 1648).

RECRUITING AND SELECTING SALES STAFF

Beginning the process

When a vacancy occurs within a team or department, it is a good opportunity to review your selection strategy. One of the first questions to ask is "Do we need to recruit a replacement at all?" If you do need to recruit, a second question could be "How will this vacancy be filled and how much will it cost?"

Potential vacancies occur because of advances in technology, promotion, people leaving, expansion, or structural changes within the organisation

* Alternatives to recruitment could be:
  – ignore the problem
  – reorganise the work
  – use overtime
  – increase use of new technology
  – stagger the hours of existing staff
  – train staff to be more efficient
  – employ someone part-time
  – sub-contract the work
  – use an agency

There are advantages and disadvantages to each of these options, which could have consequences in the longer term to the strategy of the organisation. Having decided to recruit a new member of staff there is a choice of methods of recruitment available to us as managers. Here are some of the most popular methods of finding suitable recruits:

- The Internet
- Advertising in professional or trade journals
- Advertising internally
- Advertising in National Newspaper
- Advertising in Local Newspaper
- Recruitment Consultants
- Job Centres
- Head Hunters
- University and Polytechnic visits
- Employment Agencies
- List of job seekers who have contacted the organisation in the past

The various methods have benefits and drawbacks depending on the type of vacancy and the resources available to fund a recruitment exercise. Managers need to decide which method or methods are most appropriate to the recruitment needs of the organisation before deciding which option to choose

JOB ANALYSIS

Having decided to recruit a new member of staff it is important to prepare a thorough analysis of the job vacancy you wish to fill. Job analysis is the process of collecting and analysing information about the job itself and the person who would be best suited to do that job. It is interesting to note that the personality of the job applicant is an important part of this process. Most people are hired for their technical skills and fired for their behavioural skills.

For the purposes of recruitment and selection you need to prepare a Job Specification and a Person Specification.

JOB SPECIFICATION

This document contains information about the job itself, why the job exists, what the job is, what standards of performance are required and what authority is given to the holder of the job.

The standard format used for this seminar can be adapted to suit the particular needs of your organisation, however the information it contains is:

1. The job title.
2. The history and development of the job.
3. The reporting structure (above and below the job holder).
4. The objectives of the job.
5. Key activities.
6. Standards of performance.
7. Authority
    - to act
    - to report
    - to recommend
    - to delegate.
8. Job difficulties.
9. Training available to job holder.
10. Decision to hire (by whom).
11. Physical/social environment.

PERSON SPECIFICATION

The person specification looks at the kind of person that would be best suited for a particular job. Perfect candidates rarely apply for vacant positions, however by analysing the person specification we can minimise the likelihood of making the mistake of giving the right job to the wrong person, or vice versa.

The information contained in the person specification is broken down into those qualities that are essential and those that are useful. The form also asks the question 'why' in order to help the manager minimise the likelihood of his own prejudices influencing the person specification.

So, for example, if you are recruiting a copy typist it is unlikely that mobility will be an essential prerequisite of the potential candidate.

The information contained in the person specification is:

1. Age range.*
2. Qualifications.
3. Experience.
4. Skills.
5. Knowledge.
6. Personal Qualities.
7. Special Features.

Essential qualities must be measurable while useful qualities can be either measurable or qualitative. The manager should be constantly asking himself why a quality or competency is essential or useful.

Legislation currently states that when specifying age restrictions they must be justifiable for reasons other than gender.

DEVELOPMENT EXERCISE 6. JOB ANALYSIS

The purpose of this exercise is for you to prepare a job specification and person specification using the forms provided. To do this, select a current job held by one member of your sales team, and use this as your example

Ensure the Person and Job Specification forms are completed as fully as possible. Standard answers have been provided, for your reference, using a job description that we have provided for a medical sales representative

You will need a job description, for the sales job you are working with. If you don't have one, you can produce your own, using the format for the medical sales representative, below.

The examples we have given will form the basis of an exercise in preparing a set of questions, for the subsequent job interview, later in this chapter.

JOB DESCRIPTION

Job title:

Salary:

Role:

Key job activities and responsibilities:

1.

2.

3.

4.

5.

Specific requirements:

1.

2.

3.

4.

5.

Personal characteristics:

1.

2.

3.

PERSON SPECIFICATION

Job title:

Department:

Description	Essential	Useful	*Why?*
AGE RANGE			
QUALIFICATIONS			
EXPERIENCE			
SKILLS			
KNOWLEDGE			
PERSONAL QUALITIES (e.g. behaviour)			
SPECIAL FACTORS (e.g. physical, mobility, driving, smoking)			

JOB SPECIFICATION

Job title:

Department:

History and development of the job:

Reports to:

Job purpose:

Key activities:

Standards of performance:

Authority:

Job difficulties:

Training:

Job environment:

Decision to hire- by whom:

JOB DESCRIPTION EXAMPLE.

Here is an example of a job description

MEDICAL SALES REPRESENTATIVE

Title: Medical sales representative, reporting to the Area Sales manager, North Region

Salary: £25,500 basic plus performance related bonus

Role: Selling and promoting the range of company products to a wide range of customers, both in general practice and hospitals, in the Yorkshire region

Key job activities and responsibilities:

1. Achieving sales targets for turnover, profitability and activity levels, in line with the regional business plan

2. Managing own time effectively, working mainly alone, maximising customer contacts with existing client base and identifying new business opportunities

3. Organising and carrying out local promotional and educational activity, in line with the regional business plan and in co-operation with other members of the sales team

4. Carrying out administrative work to a high standard of accuracy and efficiency, producing reports and providing written information for the use of the Regional Manager

Specific requirements:

1. A science degree, or nursing qualification
2. A clean driving licence
3. Experience in nursing, medical sales, or general sales experience preferred

Personal characteristics:

1. Excellent interpersonal and communication skills
2. Able to make presentations to groups of people to a high standard
3. Able to negotiate commercial contracts. Sound commercial awareness. Self disciplined, self motivated and interested in the healthcare industry

PERSON SPECIFICATION EXAMPLE

Job title: Medical Sales Representative

Department: North sales region

Description	**Essential**	**Useful**	***Why?***
AGE RANGE	22 to 50	25 to 50	Some work experience preferred.
QUALIFICATIONS	Science degree, nursing qualification	Same	Pre-requisites for the job
EXPERIENCE	No previous sales experience necessary	Relevant previous experience preferred	Ease of assimilation into the job. Reduced lead times
SKILLS	Interpersonal and communication skills. Ability to negotiate	Same	Pre-requisites for the job
KNOWLEDGE	No specific knowledge requirements	Good working knowledge of the healthcare industry	Ease of assimilation into the job
PERSONAL QUALITIES (e.g. behaviour)	Mature personality, able to communicate effectively at all levels	Same	Pre-requisites for the job
SPECIAL FACTORS (e.g. physical, mobility, driving, smoking)	Clean driving Licence	Willing to relocate if necessary	Possible promotional opportunities nation-wide

NOTES:

The person specification allows us to focus on the most likely candidate to succeed. It also imposes a discipline on the interviewer, to ask the question why, on various issues

The age range, for example, where it has been found that managers will often hire people younger than they are, due either to prejudice, or lack of confidence in managing someone older

In this example, while the overall age range is 22 to 50, we would prefer someone in the 25 to 50 age group, which is more likely to include someone with work experience

Some skills and qualities are non-negotiable, as these are pre-requisites for the job In other cases, extra experience and knowledge will help the successful candidate to get assimilated into the new job role quicker than someone with less experience and knowledge

The next stage enables us to look at the job itself, in more depth, prior to preparing for the actual interviews

JOB SPECIFICATION. EXAMPLE

Job title: Medical Sales Representative

Department: North sales region

History and development of the job:

The job role has grown with the introduction of new products and the changes in management and funding of the health service. There are now a range of contacts who need to be educated on various technical and medical aspects of the company product range

Reports to: Regional Sales Manager (North)

Job purpose:

To sell and promote the range of company products, in line with the regional business plan. To achieve company targets for sales turnover, profitability and sales activity

KEY ACTIVITIES	STANDARDS OF PERFORMANCE
1. To achieve sales targets based on turnover, profitability and activity	1. Turnover target £275,000 per annum, gross margin 56%, average sales activity, 4 general practice and 2 hospital contacts per day
2. Manage territory without close supervision, to a high standard of excellence	2. Spend 80% of time working alone and book all own appointments
3. Identify new business opportunities	3. Make 5 presentations per month to new contacts who have not previously bought, or recommended company products
4. Organise and carry out local promotional activity	4. Organise 2 open meetings per month for GP's and 1 seminar per quarter in hospitals
5. Carry out administrative work accurately and on time	5. Produce weekly, and quarterly sales reports for Regional Sales Manager, in line with company standards

Authority:

Authority to spend local promotional budget and negotiate in line with guidelines set out in the Regional Business Plan

Job difficulties:

Getting to see busy GP's during work hours, influencing experienced healthcare professionals and maintaining credibility in an increasingly competitive industry

Training:

Full induction, product and sales training carried out at head office over an initial 2 month period, on commencement. Ongoing sales and product training in line with company and personal training plans. Target days training per annum, following permanent appointment, approximately 10 days

Job environment:

Working in GP's surgeries and hospitals. Large proportion of time spent working alone and preparing for future events. Good organisational skills required

Decision to hire- by whom:

Regional Sales Manager

THE JOB INTERVIEW

If you are holding job interviews one of the most important phases is the planning and preparation. As with most managerial skills the more planning you do the more successful will be the interview. Research has shown the following problems occur with job interviews.

Speed of decision-making:

Most decisions to hire are made in the first few minutes of the interview. Once these decisions are made they are rarely changed. Beware of subjective decision making.

Experience:

Most interviewers don't get better with experience. Regular training on interviewing skills and feedback from colleagues is required to keep the interviewer 'up to scratch'.

Pressure to fill the job:

Where there is pressure to fill the job the interviewer tends to rate people higher than he otherwise would. Beware of solving short-term recruitment problems while creating long-term people problems.

Memory:

Most interviewers rely on memory and those who don't take notes tend to rate candidates higher, overall, than those who do. Note taking should be required for all interviews.

Structure:

Those interviewers who prepare and carry out a structured interview are better able to evaluate and compare different candidates.

PREPARING FOR THE INTERVIEW

A structured method for preparation will ensure that both the interviewer and interviewee get the most from the time available.

The recommended structure is:

1. Review the job and person specifications.
2. Prepare a list of questions relating to the person, his work history, his education history, and his interests outside work.
3. Structure the interviews to give you 30 minutes between each one. This gives you time to review and discuss each candidate and keeps you fresh for interviews later in the day.
4. Plan for someone to meet the interviewees and arrange expenses, tea or coffee etc.
5. Arrange to use a room that is free of noise and distractions and suits your needs.
6. Review each applicant's details before each interview.

AGENDA FOR THE INTERVIEW

It is important to understand that the interviewee will be nervous and the first thing to do is to put the candidate at his ease in order to get the best for him (and you) from the interview.

The structure recommended for the interview is:

1. Welcome the candidate: Introduce yourself, tell the candidate who you are and what you do. Try to get them to relax
2. Set the agenda: Say what will happen at the interview and how long it should take
3. Brief review of the job: A brief summary can help to focus the interviewee and ensure he, or she understands the nature of the position being applied for
4. Ask for questions: Give the interviewee the chance to ask any questions he, or she may wish to ask at this point. Avoid answering them at the appropriate time
5. Ask questions: Begin by asking questions about their work history. Spend 50% of the time concentrating on their current job then ask questions about previous jobs. Question other areas after work history. Ask specific questions to gather factual information on previous successes. Don't accept bland answers and ask follow-up questions to ensure you get the full facts.
6. Describe the job in detail: Be honest in describing the job. Give some of the minus factors as well as the pluses. Answer any questions relating to the job they may have asked earlier.
7. Ask for questions: Give the interviewee the opportunity to ask any questions about the job, the company etc.
8. Summarise: End the interview by summarising which will happen next and thank the interviewee for attending.

OTHER POINTS TO REMEMBER WHEN CONDUCTING JOB INTERVIEWS:

- Start and finish on time
- Take notes during the interview
- Concentrate on the applicant and his point of view. Avoid wasting time telling of your views and experiences
- Use follow-up questions if the first answer you get is unclear
- Use open questions (what, where, why, when, how) to establish rapport and get the candidate talking
- Ensure the candidate keeps to relevant points
- Keep to your structure for the interview
- Concentrate on the candidates' career details and ask questions relating to the person specification
- Ensure the candidate gives examples of previous success. Ask questions that begin "Can you give me an example of when ...".
- Be as objective as possible in your final choice of candidate

REFERENCES

References are a poor predictor of suitable candidates. They are often biased in favour of, or against the candidate and should be obtained only to confirm the decision to hire, or give evidence of previous deviant or criminal behaviour.

Telephone references can be useful. Some questions to ask:

1. In what capacity did you know Mr Smith?
2. When did he join your company?
3. When did he leave?
4. How well did he fit into your organisation?
5. How good a salesperson was he?
6. Why did he leave?
7. Would you re-employ him?
8. In your opinion, for what sort of position would he be best suited?

DEVELOPMENT EXERCISE 7.
PREPARING FOR THE INTERVIEW

Based on the Job Description, Person and Job Specification, on the previous pages, produce a list of questions to ask the candidate, designed to find out their relevant job experience, in relation to 3 key areas:

1. The achievement of sales targets
2. Managing their territory without close supervision
3. Identifying new business opportunities

Try to construct the questions so that the candidate is talking about past events that happened, rather than theoretical future events. For example:

It is very important that you achieve your targets in this job. Think of the last time you were behind with your target and having problems. What did you do to solve them?

If, at some time in the future you were not hitting target, what would you do?

The first of these questions is the most effective, because it encourages the candidate to talk about real events and it is a better measure of character to see how people respond to failure than to success

Avoid questions like What do you feel makes a good salesperson, or Describe yourself in 3 words. Questions like these are regularly asked during interviews. What do they tell us, other than the person can think on their feet, or have the knack of being able to give a plausible answer at short notice?

What they do not do, is to give us evidence that the candidate can do the job, based on previous experience.

Because we are looking for evidence of previous achievement, it is possible to produce a list of questions prior to seeing the Curriculum Vitae of the individual candidates

This is good practice. Once you have prepared your basic list of questions, they can be modified to suit each candidate. Producing the questions in this way, gives the interviewing process more objectivity and focus.

DEVELOPMENT EXERCISE 7. PREPARING FOR THE INTERVIEW

Write examples of your questions, below:

1. The achievement of sales targets

2. Managing their territory without close supervision

3. Identifying new business opportunities

DEVELOPMENT EXERCISE 7. SAMPLE ANSWERS

Examples of questions you might ask

1. The achievement of sales targets

1. How are you targeted in your current job?
2. Give specific examples of your successes over the last 2 to 3 years
3. Can you show me written evidence of this success? (memo's from the boss, company league tables etc.)
4. Think of the last time you were behind with your target. Describe to me what caused the problem and what you did to solve it
5. What has been your greatest achievement in your current job?

2. Managing their territory without close supervision

1. How much of your time do you spend unsupervised?
2. What problems does this cause you?
3. What do you do to manage your time effectively? Give some examples
4. How do you decide which customers to go and see and how often do you see them?
5. What proportion of your time is spent on identifying new business opportunities?
6. Give me an example of a problem you had to solve, recently, where you were unable to refer back to your manager, or where you had to use your own initiative. What happened?

3. Identifying new business opportunities

1. What proportion of your target is represented by new business?
2. What methods have you used to identify potential customers?
3. What percentage of new contacts have you converted into customers in the last 12 months?
4. Can you show me some evidence of this?
5. What are the biggest problems you face in converting potential new customers into actual business?
6. Think of a recent example and tell me what you did to solve the problem?

DEVELOPMENT EXERCISE 8. ACTION PLANNING

Having worked through the manual, produce an action plan, either for you as an individual manager, or for your team, to continue the development process.

ACTION POINT	BY WHEN