



# Developing the Complete Sales Leader

A Sales Management Excellence Study



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# INTRODUCTION

According to research conducted by the HR Chally Group, the number one reason why customers buy is because of the **competence of the salesperson** – more influential than price, quality of offering, or your total solution. Couple that with relentless competition, abundant supply and challenging economic times and it's no wonder that companies are focusing on sales effectiveness and beefing up the skills of their sales forces.

**And yet, when it comes to investing, one of the most critical links to sales success is frequently overlooked: The Sales Manager.** The person who is responsible for ensuring the team achieves revenues and leads to higher performance. The person who is responsible for developing strategies to accomplish corporate goals. The key influencer and motivator for a company's most important face to the customer – the sales force.

Reasons vary as to why this critical role has been overlooked. The most common that resonate include:

- “Priorities have been placed elsewhere.”
- “Other than revenue achievement, we don't really know what success looks like in the Sales Manager role.”
- “Our managers are so time constrained, they hardly have time for anything else.”

It is our belief that the role of the Sales Manager will dramatically change, and there will be a greater shift in Sales Manager responsibilities as markets become more complex and organizations become leaner. In fact, high performing organizations will require it. Salespeople need strong leaders more than ever.

Imagine if your organization could

- Improve sales team performance by almost 17%
- Improve profitability by 50%
- Truly engage your workforce
- Build a world-class sales organization that customers value

In this document we examine a model for excellence in the Sales Manager role, and how Senior Sales Executives evaluated their managers on how well they aligned with the corresponding best practices.

As you will see, the big news in this study is that there are few “superior” ratings throughout. The opportunity for making an impact with your Sales Managers is HUGE.

Our goal is to challenge leadership to consider and explore the question, **“What possibilities and business results would occur if we tapped the potential of our most critical competitive advantage: The Sales Manager?”**

## ABOUT THIS STUDY

Sales Effectiveness, Inc. has played an integral part in building an environment of sales excellence and accelerating growth with our clients across multiple industries. Our research and commitment to excellence have led us to create a **new paradigm** for sales management – one that will change the way this critical role is viewed, selected, and nurtured.

To support this research, we conducted a study on the *five key roles* and *five passions* that contribute to a Sales Manager's success. The primary objective of this study was to seek insight from senior executives on how well they believed their Sales Managers were performing in their roles and help us define the actions organizations can take to raise the capabilities of their Sales Managers.

We focused the study around three areas:

- Assess the performance levels of Sales Managers in the five roles and the “Best Practice” behaviors associated with each role;
- Determine the frequency of selected activities as a basis for defining reasonable standards and metrics for the Sales Manager position; and
- Understand how well today's Sales Managers demonstrate certain beliefs, values or “passions” which our research suggests differentiates average Sales Managers from best-in-class managers.

## STUDY GROUP DEMOGRAPHICS

The executives who participated in the study included leaders from 25 regional and national organizations. 21 were Vice Presidents and above; the balance were at the Director level.

21 out of 25 of the companies have yearly sales exceeding \$100 million. Many were divisions of Fortune 1000 firms. Industries represented included wholesale distribution, transportation, manufacturing, financial services, construction, business services, and telecommunications.

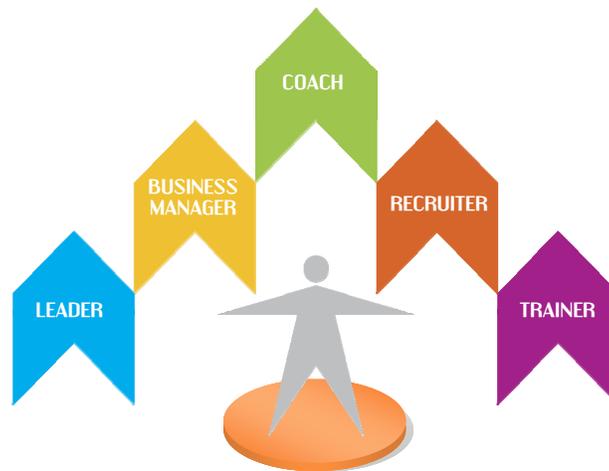
The number of salespeople in these organizations ranged from a low of 12 to a high of 3,500. The managers rated included a pool of more than 645 managers, with an average tenure of 10.2 years. Their compensation fell between \$75K - \$250K with an average of \$127K and a median of \$120K.

# ORGANIZATION

This paper is organized into four sections.

## 1. THE FIVE BEST-PRACTICE CATEGORIES

In the first section we reveal how Sales Executives rated their Sales Managers as a group when compared to the five “Best Practices” categories of a complete sales leader. This new paradigm for the future of sales management provides a framework for organizations to build excellence in this important role.



## 2. SALES MANAGER ACTIVITIES

In this section we captured the frequency of selected activities as a basis for defining a reasonable set of standards for the tasks of the Sales Manager.

## 3. THE FIVE “PASSIONS”

We explored five mindsets of today’s sales leaders and how Senior Executives see their Sales Managers exhibiting these mindsets.

## 4. TAKE AWAYS AND WHAT YOU CAN DO

A set of ideas on how you can take what was learned to build a strong team of effective sales leaders.

Note: A small number of questions did not apply to some organizations in the study. This did not appreciably impact the overall percentages, and they are not included in the tables that follow.

## APPROACH

The study asked senior executives to rank their sales managers on how well they demonstrated the behaviors associated with the five best practice categories: LEADER, BUSINESS MANAGER, COACH, RECRUITER or TRAINER.

The executives were given the following response choices: Weak, Average, Strong, Superior, or Not Applicable. To calculate the scores, weights were applied to each response – 1 to Weak, 2 to Average, 3 to Strong, and 4 to Superior. The scores for each best practice were averaged to determine the overall “group average” score.

<b>THE FIVE BEST PRACTICES</b>	<b>GROUP AVERAGE (ON A 4.0 SCALE)</b>
<b>BUSINESS MANAGER</b>	2.5
<b>COACH</b>	2.5
<b>LEADER</b>	2.3
<b>RECRUITER</b>	2.2
<b>TRAINER</b>	2.1

Clearly, there is room for improvement across all areas. While a top rating of “superior” would certainly be ideal, we believe that achieving an average score of 3.0 or “strong” is a realistic and practical goal.

If while reading the balance of the study you recognize that your Sales Managers would score in the lower quartiles, then it is time to act. The data that follows, the corresponding observations, and our take on where to focus, should motivate you to take action on this very important position in your sales organization.

Let’s now examine the details of each of the five best practice areas.

# SECTION 1: SALES MANAGER BEST PRACTICES

## BEST PRACTICE CATEGORY 1 — LEADER

**LEADER.** The word means many things to many people. An essential role of the Sales Manager is to provide clarity on the company’s strategy and direction for the sales team. Strong leaders are focused. They know how to communicate a compelling message to their teams in various ways and at various times so that their teams, too, are concentrating on the right activities.

Strong leaders have a clear sense of purpose and a unique ability to guide others toward a common vision. They translate corporate strategies down to the territory level in order to make the team’s vision and work real, engaging and meaningful. These Sales Managers know their competition and maintain a presence with the team’s most important customers. By modeling desired behaviors, they illustrate what the team can become – and reinforce what is expected. Ultimately, team members are inspired to follow their leader’s pace in order to achieve the promise of the future.

Here is how Sales Executives rated their Sales Managers in the **LEADER** best practices.

<b>LEADER BEST PRACTICES</b>	<b>WEAK</b>	<b>AVERAGE</b>	<b>STRONG</b>	<b>SUPERIOR</b>	<b>AVERAGE SCORE</b>
1. Establish and communicate a compelling and positive BIG PICTURE vision to the sales team.	13%	<b>63%</b>	21%	4%	2.2
2. Inspire salespeople individually and as a team by demonstrating belief in their abilities to achieve agreed-to goals.	4%	<b>50%</b>	42%	4%	2.5
3. Assess the assigned market potential and implement a strategy for each market segment.	17%	<b>52%</b>	26%	0%	2.1
4. Define people strategy and structure to ensure the best talent is deployed to the most profitable opportunities.	21%	<b>38%</b>	29%	8%	2.3
5. Analyze tactics of key competitors and develop strategies to exploit areas of competitive advantage.	22%	35%	<b>39%</b>	0%	2.2
6. Participate in formal business reviews with the team's 10 most important customers in order to assess value and opportunities for improvement.	22%	30%	<b>39%</b>	9%	2.4
7. Conduct formal key account reviews with each salesperson to ensure superior customer satisfaction, retention and quality of solutions implemented.	6%	<b>63%</b>	25%	6%	2.3
<b>GROUP SCORE</b>					<b>2.3</b>

**Note:** Average score was calculated by assigning a score of 1 to Weak, a score of 2 to Average, a score of 3 to Strong, and a score of 4 to Superior.



## KEY OBSERVATIONS — *LEADER*

- 46% of these senior executives expressed confidence in their managers' ability to inspire their people and in their ability to achieve the company's goals.
- Two additional practices received comparatively higher "strong" or "superior" performance ratings:
  - Analyze tactics of key competitors and develop strategies to exploit areas of competitive advantage. (39%), and
  - Participate in formal business reviews with the team's 10 most important customers (48%).
- Even so, less than 10% gave a superior rating for any of the statements. This is of significant concern.
- Establishing and communicating a big-picture vision for their sales teams is an important practice as this provides the big-picture view of where the team is going. Unfortunately, only 4% rated their Sales Managers "superior" in this practice.
- More than two-thirds of Sales Managers were rated "weak" to "average" in conducting key account reviews with each salesperson. Only 6% described their performance as "superior."

*"If you want to be a leader who attracts quality people, the key is to become a person of quality yourself. Leadership is the ability to attract someone to the gifts, skills and opportunities you offer as an owner, as a manager, as a parent. Leadership is the great challenge of life. What's important in leadership is refining your skills. All great leaders keep working on themselves until they become effective.*

*- Jim Rohn*

## BEST PRACTICE CATEGORY 2 — *BUSINESS MANAGER*

In most organizations we have studied, Sales Managers spend the majority of their time managing the business. The primary focus of this role is to achieve the company’s financial objectives. The strongest Business Managers know how to implement processes and disciplines to drive accountability and profitable revenue.

The best Business Managers have an eye on achieving performance objectives and on customers, ensuring what is necessary to meet customer expectations gets done. Whether it is direction, support or intervention, the Business Manager’s role is critical to accomplishing both short-term and long-term objectives.

Take a look at how Sales Executives rated their Sales Managers on these practices.

<b>BUSINESS MANAGER BEST PRACTICES</b>	<b>WEAK</b>	<b>AVERAGE</b>	<b>STRONG</b>	<b>SUPERIOR</b>	<b>AVERAGE SCORE</b>
1. Hold themselves and team members accountable for agreed-upon results.	8%	42%	38%	13%	2.5
2. Implement and oversee territory business planning efforts with sales team.	4%	58%	38%	0%	2.3
3. Proactively solve problems by involving others, analyzing and examining the facts and making decisions collaboratively in order to ensure buy-in.	0%	33%	63%	4%	2.7
4. Measure and provide timely feedback to each salesperson regarding their key activities, including call frequency, market coverage, time allocation, progress against goals, and strategies being employed.	25%	38%	33%	4%	2.2
5. Review pipeline and forecasts with each salesperson in order to predict where business is coming from and to anticipate needed strategy changes.	21%	42%	25%	13%	2.3
6. Negotiate win-win outcomes with customers on deals requiring management intervention.	8%	25%	54%	13%	2.7
7. Provide appropriate support in all areas: product knowledge, complaint resolution, pricing and territory administration.	6%	38%	50%	6%	2.6
8. Administer and communicate to sales team overall results, including monthly metrics, financials, compensation, etc.	17%	46%	29%	8%	2.3
<b>GROUP SCORE</b>					<b>2.5</b>

**Note:** Average score was calculated by assigning a score of 1 to Weak, a score of 2 to Average, a score of 3 to Strong, and a score of 4 to Superior.



## KEY OBSERVATIONS — *BUSINESS MANAGER*

- The BUSINESS MANAGER role, along with COACH, is the #1 ranked role - 2.5 on a 4.0 scale.
- Three practices received the highest performance rankings: problem solving, negotiation and providing support. This was expected, as most Sales Managers are incented on revenue achievement more than they are in any of the other best-practice area in this study.
- Within “proactive problem solving,” we see that 63% of Sales Executives feel their Sales Managers’ performance is “strong.” Our experience suggests that for many, this is a key activity. One might wonder why so much time is spent here. Is it because they have a band-aid approach to problem solving? Are they delegating responsibilities to the rightful owner? Are other areas of the selling system aligned properly?
- 13% are “superior” in reviewing the pipeline and forecasts. 42% are “average.” Some of the organizations we spoke with had sophisticated systems for reviewing pipelines and forecasts. Many had systems that were cumbersome and awkward, and often caused frustration for the salespeople.
- 63% are “weak” to “average” in communicating overall team results. No one interviewed implied this was because the data was not available. Some of the best managers, we learned, are good about doing a “sales huddle” each week via conference call to ensure every team member is up to date on results and trends.

*“All companies have a culture, some companies have discipline, but few companies have a culture of discipline. When you have disciplined people, you don’t need hierarchy. When you have disciplined thought, you don’t need bureaucracy. When you have disciplined action, you don’t need excessive controls. When you combine a culture of discipline with an ethic of entrepreneurship, you get the magical alchemy of great performance.”*

*- Jim Collins, Good to Great*

## BEST PRACTICE CATEGORY 3 — COACH

Coaching is the quintessential skill of the 21<sup>st</sup> century Sales Manager. For many, making the transition from a salesperson to a coach is challenging. Many Sales Managers have not had good business coaching role models, nor have they participated in dedicated learning on these critical skills.

Done well, a good coach stretches both the individual and the organization to reach its potential. Today's coaches need to be exceptionally good listeners, questioners, team leaders and challengers.

Coaching is all about personal and professional growth and building on the strengths of the employee. The best Sales Managers recognize that good coaching improves relationships with their team members, generates higher confidence levels and ultimately drives improved results. In fact, research shows that those Sales Managers who regularly coach their teams — 2-3 hours per salesperson per month — outperform their peers by almost 17%. Now that's powerful.

Here is how Senior Executives rated their managers:

COACH BEST PRACTICES	WEAK	AVERAGE	STRONG	SUPERIOR	AVERAGE SCORE
1. Develop and gain agreement on goals and standards with each salesperson.	13%	54%	33%	0%	2.2
2. Genuinely help, listen to, counsel and care for each employee.	8%	38%	46%	8%	2.5
3. Build an ethical, fair and motivating environment by setting high standards and promoting a fun work environment.	13%	26%	48%	13%	2.6
4. Lead formal one-on-one coaching sessions with each salesperson on a quarterly basis.	17%	42%	33%	4%	2.3
5. Observe sales calls a minimum of six (6) times a year with each salesperson.	10%	27%	31%	31%	2.9
6. Frequently encourage, celebrate and recognize individual strengths and team successes.	0%	46%	42%	13%	2.7
7. Challenge salesperson effort when performance is not meeting expectations.	0%	54%	33%	13%	2.6
8. Actively seek personal feedback from direct reports to promote reflection on areas needing change.	46%	25%	21%	4%	1.8
<b>GROUP SCORE</b>					<b>2.5</b>

**Note:** Average score was calculated by assigning a score of 1 to Weak, a score of 2 to Average, a score of 3 to Strong, and a score of 4 to Superior.



## KEY OBSERVATIONS — COACH

- The category of COACH, along with BUSINESS MANAGER, received the highest overall category score of 2.5 on a 4.0 scale.
- 54% rated “strong” or “superior” in “genuinely helping, listening to, counseling and caring for each employee.”
- 61% were also scored “strong” or “superior” in setting high standards and creating a motivating environment. While this is encouraging, 39% received lower ratings.
- Ratings regarding sales call observation practices were among the strongest in the study. 62% of the organizations interviewed say their managers observe sales calls a minimum of six times a year. Unfortunately, 37% rated their managers weak or average in this practice. One executive said, *“It takes practice and guts to grow people; if you grow people, you will grow revenue.”*
- 54% rated their Sales Managers as “average” at “challenging salesperson performance.” Interestingly, we learned that many Sales Managers challenge performance primarily when there are negative trends to be addressed such as revenues being off target or disciplinary issues.
- Only 4% scored their managers as “superior” in conducting 1-on-1 coaching sessions. Clearly there’s room for improvement here.
- The weakest rating in the entire study is in a Sales Manager’s ability to “actively seek personal feedback from direct reports.” Not surprising, since most people find feedback about their own performance uncomfortable. Nevertheless, when managers actively seek feedback from their direct reports, it promotes trust and defines areas for personal growth.

*“Good athletic coaches oversee their players continually, sharing responsibility for their physical and mental development. They inspire, they challenge, they celebrate, they engage. This must become the standard in sales also. Superior coaches are the key to sustaining long term selling performance.”*

*- Carlos Quintero*

## BEST PRACTICE CATEGORY 4 — RECRUITER

Selecting the right talent is paramount. Sales Managers who see themselves as “Directors of Player Personnel,” recognize that their ability to grow profitable revenue and people are dependent on having the right talent with the right attitudes on the team.

Our experience suggests that best-in-class managers always have their eyes open for superior talent. Whether it’s observing people at networking meetings, sharing hiring needs with someone on the golf course or actually observing a seller in a personal sales transaction, these successful managers instinctively know how to seek and spot talent. They know the specific skills necessary for each of their positions. They know how to communicate them and build networks for finding good talent. Then, when an opening occurs, they are prepared. They have someone in mind. With that, chances are good that the hiring cycle is shortened and their ability to assimilate the new employee with the customer base is smoother and more positive.

Take a look at the ratings on **RECRUITER** best practices.

<b>RECRUITER BEST PRACTICES</b>	<b>WEAK</b>	<b>AVERAGE</b>	<b>STRONG</b>	<b>SUPERIOR</b>	<b>AVERAGE SCORE</b>
1. Actively seek, attract and recruit "A" players in order to build team talent and future bench strength.	33%	42%	17%	4%	1.9
2. Prepare candidate requirements for each open position to establish basis for matching the right people to the right jobs.	21%	46%	21%	0%	2.0
3. Effectively interview and evaluate qualified candidates to ensure fit with team.	4%	52%	35%	9%	2.5
4. Finalize selection process by ranking qualified candidates, contacting references and communicating offers that reflect expectations.	8%	46%	33%	4%	2.4
<b>GROUP SCORE</b>					<b>2.2</b>

Note: In two of these items, #2 and #4, 12% and 9% of the managers respectively, responded with Not Applicable, since they deferred this to their HR organizations. These percentages are not shown.

## KEY OBSERVATIONS — *RECRUITER*

- Even though everyone acknowledges that having the right talent is an essential role, only 4% of Sales Executives believe that performance is “superior” in attracting and recruiting “A” players.
- Some of the senior executives commented that they did not score these practices as high since they relied on Human Resources to carry the ball on recruiting.
- Another executive had a different take and put it like this, “We don’t sync well with Human Resources. We need better clarity around roles and responsibilities; and they need to understand our world. It takes way too long to find the right individual.” If hiring practices are not well defined, it can cost a company up to 200% of the targeted employee’s salary and benefits to hire for that replacement.
- Positively, there were a few executives who indicated they indeed have forged strong partnerships with Human Resources and often jointly participated in job fairs and other recruiting events.
- One company indicated it doesn’t need to actively recruit because turnover is rare. While low attrition may suggest that the environment is positive and strong, that is not always the case. It is our belief that some level of turnover can be favorable, as it can introduce new ideas and new thinking into the organization.
- While we did not ask Senior Executives whether or not they used independent assessment instruments, we are seeing more and more companies using external resources to help them assess the talent they are seeking to hire. The best companies really get serious about identifying what success looks like in a sales professional. They test, evaluate, and look for those skills that are critical to that person’s success. By doing so, it speeds up and streamlines the hiring and on-boarding process.

*“Eagles don't flock - you have to find them one at a time.”*

*- H. Ross Perot*

## BEST PRACTICE CATEGORY 5 — *TRAINER*

As the old saying goes, “Knowledge is power; but shared knowledge is the most powerful.”

One of the greatest gifts Sales Managers can impart to their teams is their knowledge and the training on how to apply that knowledge. And not just any kind of knowledge, but that which is focused — aligned to the team’s vision and performance expectations. The best Sales Managers understand this and take an active role to champion education and skills mastery each and every day.

Sales Managers who take the TRAINER role seriously seek opportunities to practice skills through sales call observation and through team meetings. In fact, many do so by assigning specialties to every member of the sales team. By promoting a culture of perpetual learning, they prepare their teams for the future. When practiced and reinforced through coaching, learning builds confidence in both the individual and the team’s abilities. Innovation surfaces. Problems are solved. Productivity is enhanced and competitive advantage is strengthened.

Here are the ratings on these **TRAINER** practices.

<b>TRAINER BEST PRACTICES</b>	<b>WEAK</b>	<b>AVERAGE</b>	<b>STRONG</b>	<b>SUPERIOR</b>	<b>AVERAGE SCORE</b>
1. Continually practice and reinforce the organization's sales methodology by using language and skills taught in training.	29%	<b>46%</b>	25%	0%	2.0
2. Improve salesperson skill mastery through one-on-one training and via team meetings.	29%	<b>42%</b>	25%	4%	2.0
3. Develop and commit to a personal career growth plan for each salesperson.	<b>46%</b>	33%	13%	8%	1.8
4. Use and model technology applications to enhance salesperson productivity.	31%	<b>36%</b>	27%	5%	2.1
5. Champion continuous improvement and adoption of organization's sales process and selling systems.	8%	<b>54%</b>	25%	13%	2.4
<b>GROUP SCORE</b>					<b>2.1</b>

**Note:** Average score was calculated by assigning a score of 1 to Weak, a score of 2 to Average, a score of 3 to Strong, and a score of 4 to Superior.



## KEY OBSERVATIONS — *TRAINER*

- Everyone agrees that the role of education and learning is critical. Even so, in the area of reinforcing the company's sales methodology, no sales executive believed their Sales Managers' performance was superior in this best practice. 29% rated their managers "weak."
- Nearly 30% of the Sales Executives rated their managers "weak" in providing one-on-one training to improve skills. 42% considered themselves "average" in this essential practice.
- Many people shared with us that managers often don't see themselves as trainers nor do they believe they have the skill set to train. Others believe training is the Marketing and / or Training Department's responsibility. Ongoing reinforcement is critical for closing gaps that the manager observes in the field. Ongoing reinforcement in the field is the "moment of truth" as this is where classroom learning truly takes hold.
- 46% of Sales Managers were rated "weak" in "developing and committing to a personal career growth plan for each salesperson."
- Our experience shows that Sales Managers, who indeed see being a "Trainer" as a key role, make time to work with their teams to practice what they learned. Challenging Sales Managers to be masters in this practice is an opportunity for competitive advantage. We believe that the primary role of the Sales Manager is to grow people and to reach inside and translate a salesperson's unique talents into performance.

*"Work-force training and constant retraining must climb to the top of the agenda of the individual firm and the nation. Only highly skilled - that is trained and continuously retrained - people will be able to add value."*

*- Tom Peters, Thriving on Chaos*

## SECTION 2: FREQUENCY OF SALES MANAGER ACTIVITIES

The second part of our study involved assessing the level of key activities typically performed by Sales Managers. We asked these Sales Executives to share with us the frequency they believe their Sales Managers complete these activities. Their responses were to represent the “average” number of times each activity was completed with each salesperson on a yearly basis.

SALES MANAGER ACTIVITIES	ESTIMATED # OF TIMES PER YEAR WITH EACH SALESPERSON							
	NONE	1	2	3	4	5	6	6+
Review territory business plans	0%	17%	22%	0%	22%	0%	22%	17%
Set goals and budgets (quota)	4%	48%	30%	13%	4%	0%	0%	0%
Hold key account strategy meetings	4%	13%	9%	26%	13%	0%	4%	30%
Review sales compensation status	4%	35%	30%	4%	17%	0%	0%	9%
Review the pipeline and forecasts	9%	0%	4%	9%	22%	4%	4%	48%
Observe sales calls	4%	4%	0%	9%	17%	9%	13%	44%
Hold team meetings	0%	4%	17%	0%	13%	4%	17%	44%
Conduct formal one-on-one coaching meetings	0%	9%	26%	0%	17%	0%	13%	35%
Attend formal business reviews with the team’s top customers	18%	5%	18%	18%	14%	0%	5%	23%

As one can see from the grid above, the level of frequency varies.

Based on how the study was conducted, establishing averages may not be insightful, due to the differences that may exist for the Sales Manager job in different industries.

Nevertheless, we believe that having defined expectations for these is important. While the frequency may vary by company, establishing standards for Sales Manager activities will communicate the behaviors expected for the job.

## SECTION 3: THE FIVE “PASSIONS”

Finally, we asked the Sales Executives to rate how effective they believed their Sales Managers were at demonstrating the following “passions.” We call them “passions” because they represent the emotional context essential in a Sales Manager’s ability to inspire and “TURN ON” their sales teams. Most companies have not invested much effort in defining and studying these. This is an area for further development.

THE FIVE “PASSIONS”	MILDLY EFFECTIVE	VERY EFFECTIVE	EXTREMELY EFFECTIVE
<b>INSPIRING</b> Motivating individual and team, helping them see possibilities	46%	46%	8%
<b>PRACTICING</b> Continually practicing skills, learning and teaching	79%	21%	0%
<b>EMPOWERING</b> Sharing ownership and assigning specialties to team members	38%	46%	17%
<b>RESHAPING</b> Introducing new ideas and concepts to the team	75%	25%	0%
<b>CARING</b> Genuinely caring, authentic	13%	71%	17%

### KEY OBSERVATIONS — *THE FIVE “PASSIONS”*

- For the most part, EMPOWERING and CARING were the highest rated practices. In the long run, managers cannot succeed if they don’t genuinely care for and empower their direct reports.
- The ability to INSPIRE is not seen as strong, although 54% appear to be very effective or extremely effective in this practice.
- PRACTICING and RESHAPING did not fare as well either. Both are somewhat intertwined, since practicing and reshaping skills reinforce and introduce new ideas and concepts to a sales team. Here is where the VP can play a significant role by establishing a learning culture and by challenging the whole organization to raise their levels of performance.

## SECTION 4: TAKE AWAYS AND WHAT YOU CAN DO

The role of the Sales Manager is complex. Arguably, it is considered the most important position in a sales organization. To be successful the best managers must balance many roles – that of LEADER, BUSINESS MANAGER, COACH, RECRUITER and TRAINER. They are the conductors and key influencers for the most important team within an organization – the front line.

This new paradigm can shape the future of your sales management organization. This study confirms that there is significant opportunity to recast this critical role in most sales forces — to build success by design — and to really invest in enhancing the effectiveness of the people who lead your sales teams.

Here are some steps we encourage you to take if you are truly committed to build a culture of superior sales leadership in your organization:

1. **BE VERY CLEAR ABOUT EXPECTATIONS** — Document the specific practices YOU expect from your Sales Managers. Define expectations for the roles that are most important to your organization. Sales management excellence is essential to a sales team’s motivation and success.
2. **IMPLEMENT A MANAGER FEEDBACK LOOP EACH YEAR** — One of the best ways to increase focus on these best practices is to implement a confidential feedback mechanism where salespeople rate their managers each year. Only 35% of study participants currently conduct some type of feedback loop with their Sales Managers. The strongest organizations we have observed see this as the best method to assess how well the manager is executing in these areas and to motivate the change in behaviors needed.
3. **SELECT AND HIRE CAREFULLY** — Use the five practices as the foundation for the hiring and selection process: LEADER, BUSINESS MANAGER, COACH, RECRUITER and TRAINER. Create a “strong” partnership with Human Resources and use predictive hiring assessments that statistically and objectively confirm whether the candidate has the skills and capacity to perform these roles. Balance any assessments with behavioral interviewing questions that align with the roles. Develop a tight ranking process and confirm a “fit” with your company’s culture. Strong hiring practices ultimately impact the bottom line.
4. **DOCUMENT YOUR SALES PROCESS** — A well-defined sales process is the foundation for continuous improvement. It represents the core of your “selling system.” It is the roadmap and framework that Sales Managers can use for coaching and creating LIFT in the sales organization. When implemented and optimized, it can dramatically improve your managers’ productivity and reduce the amount of time they spend on administrative tasks. Further, it provides a tool for coaching their teams to success.
5. **EDUCATE AND COACH** — Just as education and coaching are important for salespeople, it is equally — if not more — important to invest in your Sales Managers’ development. Most Sales Managers have received little or no development to prepare them for their new role as a Sales Manager. Conduct a skills assessment to help identify where to invest effort. Choose one or two improvement areas to focus on each year and coach regularly for improved performance and adoption.

6. **ESTABLISH METRICS** — Now, INSPECT what you EXPECT. Create deliberate measures that reflect what is most important in these roles. They should be limited to the most important 7-10 measures that drive performance. Use these areas to spark your thinking:
- **Results Metrics** that recap the quantitative results you expect from your Sales Managers and their teams when compared to goals set. These include financial and market share measures.
  - **Process Metrics** that indicate the execution of your sales process and the pipeline forecast that supports it.
  - **Territory Metrics** that include areas such as sales by segment, customer business reviews, account reviews, win / loss rates, etc.
  - **Customer Metrics** that track how well the salespeople are delivering on the promise to the customer. This could include testimonials, referrals, and customer satisfaction measures.
  - **People Development Metrics** that reflect activities such as # of one-on-one coaching sessions held, # training sessions led, level of turnover, # of salespeople promoted, etc.
7. **CELEBRATE YOUR SALES MANAGERS OFTEN** — While accolades often go to the sales professionals who blow out the numbers, saluting your best Sales Managers can be equally inspiring, since it acknowledges the skill and effort required to lead and direct others. Equally important, you will encourage those men and women in your sales force who aspire to sales management.

*“The quality of a sales organization is directly linked to the quality of its front-line managers. Those managers greatly influence turnover, productivity, and profitability, and they help build a base of engaged customers. In many companies, they are crucial to achieving key corporate strategies and programs. Unless your company is continuously improving the quality of its front-line managers, it's unlikely that you're improving the quality of your sales organization.”*

*- Benson Smith, Discover Your Sales Strengths*

## IN SUMMARY....

Picture in your mind your Sales Managers. In which of the five best practice categories do they excel? What skills need to be strengthened? How would you suggest they reallocate their time in these areas?

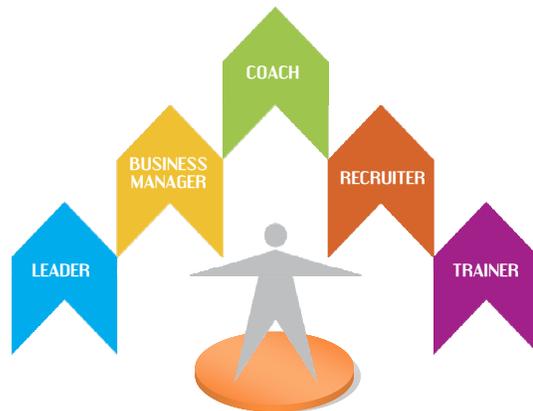
Challenge yourself through these additional questions:

- How can we improve the performance of our sales management team?
- How can we help them balance these five roles to be more complete sales leaders?
- Where do we invest our resources for improving Sales Manager skill sets now and in the future?
- What processes and tools are necessary to improve the overall effectiveness of the selling system? How will that impact Sales Manager excellence?

We hope that you found this study to be thought-provoking and discerning.

We have gained valuable insights into Sales Executive thinking about these key best practices and how well their Sales Managers performed against them. In all cases, there was wide acceptance of the five practices as a framework for this important position, and the framework is seen as providing guidance on where to invest resources and attention.

Our best wishes for your continued success!



## HIGH-LOW SORT OF ALL BEST PRACTICES

The following illustrates all of the best practices in all categories ranked from high to low average score.

BEST PRACTICE STATEMENTS	WEAK	AVERAGE	STRONG	SUPERIOR	AVERAGE SCORE
Observe sales calls a minimum of six (6) times a year with each salesperson.	10%	27%	31%	31%	2.9
Proactively solve problems by involving others, analyzing and examining the facts and making decisions collaboratively in order to ensure buy-in.	0%	33%	63%	4%	2.7
Negotiate win-win outcomes with customers on deals requiring management intervention.	8%	25%	54%	13%	2.7
Frequently encourage, celebrate and recognize individual strengths and team successes.	0%	46%	42%	13%	2.7
Provide appropriate support in all areas: product knowledge, complaint resolution, pricing and territory administration.	6%	38%	50%	6%	2.6
Build an ethical, fair and motivating environment by setting high standards and promoting a fun work environment.	13%	26%	48%	13%	2.6
Challenge salesperson effort when performance is not meeting expectations.	0%	54%	33%	13%	2.6
Inspire salespeople individually and as a team by demonstrating belief in their abilities to achieve agreed-to goals.	4%	50%	42%	4%	2.5
Genuinely help, listen to, counsel and care for each employee.	8%	38%	46%	8%	2.5
Effectively interview and evaluate qualified candidates to ensure fit with team.	4%	52%	35%	9%	2.5
Participate in formal business reviews with the team's 10 most important customers in order to assess value and opportunities for improvement.	22%	30%	39%	9%	2.4
Finalize selection process by ranking qualified candidates, contacting references and communicating offers that reflect expectations.	8%	46%	33%	4%	2.4
Champion continuous improvement and adoption of organization's sales process and selling systems.	8%	54%	25%	13%	2.4
Define people strategy and structure to ensure the best talent is deployed to the most profitable opportunities.	21%	38%	29%	8%	2.3
Conduct formal key account reviews with each salesperson to ensure superior customer satisfaction, retention and quality of solutions implemented.	6%	63%	25%	6%	2.3

BEST PRACTICE STATEMENTS	WEAK	AVERAGE	STRONG	SUPERIOR	AVERAGE SCORE
Implement and oversee territory business planning efforts with sales team.	4%	58%	38%	0%	2.3
Review pipeline and forecasts with each salesperson in order to predict where business is coming from and to anticipate needed strategy changes.	21%	42%	25%	13%	2.3
Administer and communicate to sales team overall results, including monthly metrics, financials, compensation, etc.	17%	46%	29%	8%	2.3
Lead formal one-on-one coaching sessions with each salesperson on a quarterly basis.	17%	42%	33%	4%	2.3
Establish and communicate a compelling and positive BIG PICTURE vision to the sales team.	13%	63%	21%	4%	2.2
Analyze tactics of key competitors and develop strategies to exploit areas of competitive advantage.	22%	35%	39%	0%	2.2
Measure and provide timely feedback to each salesperson regarding their key activities, including call frequency, market coverage, time allocation, progress against goals, and strategies being employed.	25%	38%	33%	4%	2.2
Develop and gain agreement on goals and standards with each salesperson.	13%	54%	33%	0%	2.2
Assess the assigned market potential and implement a strategy for each market segment.	17%	52%	26%	0%	2.1
Use and model technology applications to enhance salesperson productivity.	31%	36%	27%	5%	2.1
Prepare candidate requirements for each open position to establish basis for matching the right people to the right jobs.	5%	46%	21%	0%	2.0
Continually practice and reinforce the organization's sales methodology by using language and skills taught in training.	29%	46%	25%	0%	2.0
Improve salesperson skill mastery through one-on-one training and via team meetings.	29%	42%	25%	4%	2.0
Actively seek, attract and recruit "A" players in order to build team talent and future bench strength.	33%	42%	17%	4%	1.9
Actively seek personal feedback from direct reports to promote reflection on areas needing change.	46%	25%	21%	4%	1.8
Actively seek personal feedback from direct reports to promote reflection on areas needing change.	46%	25%	21%	4%	1.8
Develop and commit to a personal career growth plan for each salesperson.	46%	33%	13%	8%	1.8

## ABOUT SALES EFFECTIVENESS, INC.

Sales Effectiveness, Inc. is a growth consulting firm dedicated to helping executives drive excellence and accelerate growth with their sales organizations. We do this by providing four primary services:

- We evaluate the team, identify individual strengths, and provide guidance on how to maximize individual and team performance.
- We examine the selling process and your overall selling system and recommend ways to improve practices.
- We provide professional education and learning methodologies for all sales and service employees.
- We equip the Sales Manager with the skills, tools, and metrics to effectively lead the sales team to a higher level.

We partner with you and your sales management and service teams to drive growth, establish focus, and radically improve your selling system. We help your sales force become trusted business advisors in order to build long-term customer value.

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