

The TACK Sales Leadership Survey 2011

Leading sales, leading business generation, leading recovery

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"...Our market is changing through technology, the economy and various other factors and the way we manage should also be a constant evolution and growth. It is easy to become set in our ways."
Sales Manager in the Retail & Leisure sector

A new economic era

British Prime Minister David Cameron has this year credited the sales profession with being the **catalyst to Recovery**¹. He said that he truly believes the efforts of sales and marketing will ensure the next decade is **“one of the most dynamic and entrepreneurial decades of our history.”**

The process of buying – both consumer and business – has changed beyond recognition and the sales profession must adapt to this new economic reality. Determination, hard work and basic sales skills are no longer a guarantee of success in competitive markets where buyers are more sophisticated and less in number.

So who are the catalysts behind our successful salespeople? What do they think of the job they do, the challenges they face and what the future holds? Importantly what do salespeople think of the leadership they receive and is David Cameron right to put such faith in our profession?

The role of sales managers is therefore crucial – not only at an organisational level but at a macro-economic level to stimulate growth. Sales leadership that responds and adapts to this new economic order will have a competitive edge and essential role to play in effective business generation.

“... (Managers) often don't realise or understand how markets change and believe sales to be just how it was fifteen years ago.”

Recognising that business generation depends on the abilities of sales management and the individual's desire to use these abilities to the full, TACK's latest research focuses on the leadership of salespeople in their work and the ability of their sales managers, who have a strong influence on the level of engagement of their sales teams.

Key insights

This executive summary offers key insights to help sales managers in the challenging task that lies ahead, specifically:

- the skills and qualities of successful sales managers
- the perception of sales managers vs. the perception of their teams – and the gaps
- an opportunity to benchmark sales management metrics and best practice
- a look beyond financial rewards to reveal the attitudes and thinking of salespeople and their managers
- the perceived calibre of sales managers
- key challenges in sales management

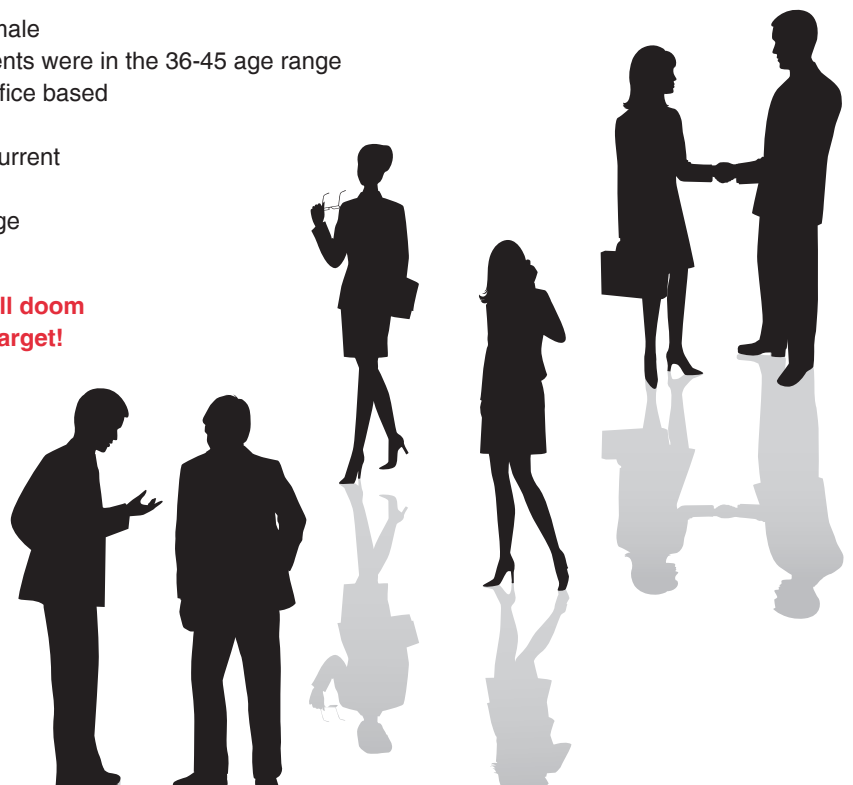
Who will benefit from this research?

- Those responsible for the growth of sales in their organisation will be able to draw valuable lessons to help them engage more of their sales force. Others who have contact with customers will also benefit
- Anyone concerned with sales effectiveness, talent management and retention will be able to draw parallels that can be used to advantage within their own business by understanding what motivates this key resource

Who shared their views?

- Over 240 salespeople and sales managers from a variety of SME to corporate organisations contributed to this research
- The sample was 82% male and 18% female
- 59% of the sales management respondents were in the 36-45 age range
- Half of the sample was predominantly office based and half home based
- 75% of the sample has been with their current employer 6 years or longer
- 66% of sales managers surveyed manage a team of 5 or less

Despite the pessimistic outlook it's not all doom and gloom - 79 % of sales teams are on target!



What is the role of a sales manager?

The activities of the sales team - to generate the sale of products and services and the resulting profit - drive most commercial businesses.

So sales management must focus on the practical application of selling and is undoubtedly one of the most demanding roles in business. What's more, the goals and performance indicators of sales management are often known to all other functions in the organisation. Sales managers are always in the spotlight.

The role typically involves sales planning, human resource management, talent development, leadership and control of resources and organisational assets. Sales planning involves strategy, setting profit-based sales targets, quotas, sales forecasting, demand management and the writing and execution of a sales plan.

The "player manager" debate?

Sales managers need to be great multi-taskers - 70% of the survey has personal territories and quotas as well as team management responsibilities.

Generally in smaller sales teams a sales manager can have a territory with little difficulty. There is always the caveat that if the sales manager delivers anything less than spectacular results others may begin to discredit them as a manager. Sales managers in smaller organisations can also work the "vacant territories" until a replacement candidate(s) can be hired. This approach offers three advantages:

1. The sales manager gets "hands-on current field experience" and an understanding of the challenges in the current sales role. Personally using and testing the company's sales process is a critical way to understand what needs to be adjusted and refined, as well as earning the right to sell the process and changes to the team.
2. When the sales manager passes over the vacant territory to the new representative(s), there will be an 'active' pipeline where all of the most promising accounts are primed.
3. Sales managers running their own accounts enables them to share with their team new approaches, innovation and process improvement. This always provides an ideal showcase for sales meetings.

So in managing their own key accounts they are providing a valuable source of inspiration and best practice to again help raise the performance bar in the team.

A sales manager that has not only earned their position based on "been there done that" but also maintains an active role in the learning, training and "rolling up your sleeves and getting it done" can also lead by example for great team atmosphere.

"Currently, because of the market, everyone is spread too thin - including me and my manger. Therefore my manger is unable to spend enough time with me to help me be better able to do my job and I am unable to spend more time with my key accounts."

Those who argue against the "player manager" role within sales management will disagree with this approach – instead suggesting that a sales manager's first responsibility is to manage performance and remove obstacles to the effective performance of their team

They argue that managing a sales team means "owning" the team's sales quota. The manager's quota is the sum of their direct reports.

They foresee possible conflicts when a sales manager has a territory to deal with that it naturally becomes a key part of their focus which can take them away from dealing with the bigger picture which requires full-time attention to build a high-performing sales organisation.

The sales manager should be compensated on the team's performance to avoid a potential conflict of interest and misalignment on organisational goals.

Field accompaniment or joint selling?

Sales managers recognise their role as observer / coach – 60% of sales managers surveyed said they only intervene when on a joint visit if the salesperson is struggling and 16% do field accompaniments weekly!

Through their direct coaching, mentoring and active involvement with the sales team and, specifically, by participating in joint sales calls they not only advance the sale, but help the salesperson learn from their example or in some cases learn what makes their salesperson successful.

This is a valuable way of capturing best demonstrated practice that can be used with other team members and particularly in sales meetings to highlight success and to raise the bar in the performance of others in the sales team.

Time spent by sales managers in the customer/salesperson situation provides so many opportunities for coaching, observation, relationship building and exposure to the customer's world. It is therefore essential that the exact objective of the sales manager's presence at the meeting is established to avoid confusion and to maximise all elements of the opportunity. Sales managers must always distinguish between field observation for coaching, dual calling or a demonstration call. It is important that the sales manager establishes the role they will be playing in any meeting.

“Be fair, impartial, learn to speak and when to listen, be keen, be firm and enjoy it!”

Setting sales targets

Sales managers don't leave target setting to chance – less than 2% surveyed let their salespeople set their own targets compared with 53% who choose to set very clear targets for their team members. A further 33% let their salespeople set their targets but they work closely with them in the process

Financial targets

Sales managers need to set clear targets for their salespeople, linked to incentives such as commissions and bonuses. Setting stretching but achievable targets motivates salespeople and provides a clear indication of the kind of performance expected of them.

This process is crucial to the success of their business and needs to be closely tied in with the rest of their company's business strategy and planning.

It is not usually sufficient to set “head-line” sales targets. Being specific when setting targets for sales staff helps them focus their activities and their activities will lead to sales. Typically our survey showed that sales managers break targets down in three areas, aligned with business generation requirements, for example:

1. “New from new” - developing new business from prospects. Working from the projections in the business plan and sales forecasts, these should take into account changing market and economic conditions.
2. “New from existing” - renewals and growth from existing customers. Protecting and expanding existing customers is a critical activity that can provide a profitable return on selling costs. A typical renewals rate is in the region of 60 to 70% according to Business Link.²
3. Lapsed customers - a good salesperson should be able to recover some of the company's past customers who have not bought for some time.

“My sales manager is always willing to discuss any concerns I might have regarding the likelihood of achieving or not targets set!”

Activity targets

As well as setting financial targets for salespeople, sales managers typically set activity targets. These include all the individual aspects of their day-to-day role and which should lead to sales.

Activity targets are increasingly captured within the company's CRM system and, according to our survey, typically include:

- Completed phone calls - often this is broken down to establish conversion rates
- Face-to-face meetings - getting salespeople to record the number of appointments they make with customers. This activity is considered almost universally as increasingly challenging and more and more business is being conducted remotely
- Leads generated - measuring how effective salespeople are at extracting new leads and generating potential new contacts
- Leads followed up - effectiveness at following up marketing activities
- Qualified prospects - these are organisations who have been picked out as needing the products or services that you offer and who are able to purchase, but who haven't approached you or been approached

Despite this data being captured on the CRM system, sales managers need to invest time in analysing both activity levels and activity effectiveness as these give great clues as to development needs and they also provide early warning of potential performance issues.

“In our sector, the die-hard sales tactics seem to have an adverse effect on both employee and customer retention. We adopt an open culture whereby people help build the business; develop their targets in line with long term objectives... (Our) people have taken ownership of their responsibilities rather than trying to achieve what has been set by someone else. This is the way forward in a small organisation.”

Communicating with the sales team

67% of sales managers publish salespeople’s results to the whole team compared with just 22% who publish only the team figures

For a salesperson their own sales results are the justification of hours spent writing proposals, phoning, emailing, driving, meeting etc. We can talk about wide-ranging activities but at the end of the day a salesperson is invariably judged by their sales figures. Success will breed success. Sales managers should never underestimate the motivational and demotivational aspects of how results are published.

Individual and team sales figures should celebrate success. Team figures can highlight concerns of not hitting target - either in a product category, a specific initiative or in terms of revenue. Individual sales figures of low performers revealed publicly will not increase levels of motivation or effort. An underperforming salesperson is the first to know and feel their lack of success. Sharing that failure with the team can be very damaging. Poor performance should always be dealt with on an individual basis - sales manager to salesperson.

“(On target?) Don’t know... don’t get that feedback.”

Team meetings

Almost 50% of the audience surveyed hold monthly face to face sales meetings recognising the importance of regular communication in supporting successful sales performance

Sales managers can bring value to their sales team in facilitating a sales meeting that allows them to improve their skills and increase sales. Many sales meetings focus on product knowledge and operational updates. They can also be an opportunity to focus on skill improvement and team building - making for memorable and successful meetings.

Frequency of sales meetings depend on the size and geographic distribution of the team. Smaller groups within the organisation can meet frequently (weekly) for a short meeting. Longer meetings (half a day to a day) can precede major events (product launches, new sales promotions, trade shows etc.).

Most sales meetings are still face to face but virtual meetings through tools such as WebEx, Go to Meeting etc. are making an appearance.

Only 13% of the survey said sales meetings are entirely led by the sales manager. 52% included presentations and training from other team members as well as their own input. 54% invite presentations and training from colleagues from other departments.

In general sales managers need to give more time to planning their sales meetings to achieve a good balance of input from them, from others invited to present and, importantly, the team. Salespeople should feel they are an essential part of any sales meeting. When salespeople are ‘gutted’ to have missed a meeting then a sales manager knows they have got the balance right.

Sales managers should never forget that it is in sales meetings that their team see them as ‘the boss’, as a leader – articulate, focused, inspirational – someone to respect.

“Our most useful team meeting did for the first time include an overnight stay. This was really beneficial since during dinner you have time with colleagues to talk shop... share successes, frustrations, ideas and generally discuss (with time) work issues. After all who better to talk with than colleagues doing the same job.”



Sales recruitment

25% of sales managers handle the entire recruitment process but 70% see recruitment as a joint process between sales and HR

It is interesting to see the move towards sales managers and HR working in partnership to recruit quality people who are not only right for today's business world but also for the future. This will result in less attrition and better ROI from the time and money invested in the process.

Increasingly quality people interview potential employers - looking for good career development opportunities, progressive development paths and a well defined company and sales strategy.

Partnering with HR has brought a more objective view to establishing the skills, behaviours and knowledge that are required in fulfilling any job role. In sales particularly, this process has helped to balance personality and behaviour with measurable competencies which are essential in today's sales arena. Sales recruitment must also take into account the requirement for salespeople to be adaptable and responsive to the changes and opportunities created by technology. Today's salesperson needs to embrace the power that technology can offer them in working more effectively in an increasingly competitive market place.

Assessment centres and the use of psychometric and behavioural profiling are increasing as a way to make the selection process more rounded and robust.

Recruiting new salespeople with a broader set of competencies presents sales managers with another challenge - that of integrating new with old. The existing team will have experienced salespeople feeling the pressure of selling in a changed sales arena. Experienced salespeople are having to re-train and in many instances learn to sell again. The arrival of new people must be carefully handled as they bring new ideas, energy and a fresh approach - all essential in moving the sales team forward.

Performance management & appraisal

The most common response to frequency of appraisal was yearly at 39%, six monthly 28% and 20% more frequently.

Sales managers must recognise the value of both informal and formal opportunities to establish and discuss current levels of performance. At the same time they should plan with the salesperson a development route to satisfy both personal and business needs. Too often review meetings and appraisals can become process rather than purpose based. Becoming the constant coach should be the ultimate aim of sales managers so they can achieve results through their team and raise the performance bar.

Sales managers - like their sales team members - can benefit from feedback on performance from their manager / sales director. Such an appraisal could identify their training needs by formalising the process. It can also provide the opportunity for organisational diagnosis and development and enable communication between sales manager and sales director.

A sales manager's performance can be improved through counseling, coaching and development. Yet 12% of the survey had no appraisal by their manager/director. Some 38% could not remember ever receiving coaching from their manager.

The role of the sales manager is now more complex than ever. For many exactly what they should be doing, when and how often has become clouded as they strive to satisfy demands from senior management for revenue and profits. They must also balance this with demands from their team for support. In clearly defining the role of the sales manager, companies will help sales managers to perform at their peak and importantly stimulate their team to do the same.



Conclusions

Sales managers should be proud of the fact that more salespeople believe they have excellent managers than simply good managers.

“I appreciate that my manager isn’t breathing down my neck and constantly analysing how I approach my work. He doesn’t have a one-style-fits-all kind of management approach. I would say he treats us all as individuals.”

Salespeople, like many other employees, do not have a single driver. The findings have shown that a holistic view is appropriate in order to take account of employees’ personal motivators and how these tie in with their business, in terms of the employee’s contribution and the response they receive for their efforts.

Good sales management practices are needed to provide a strong link between the individual and their business in the following ways:



- Setting sales targets – sales teams excel when given clear direction and agreed expectations from their sales management. Systems and support for on-going monitoring and measurement of achievement and KPIs have to act as an incentive rather than a disincentive
- Sales meetings – despite the rise and use of virtual communication tools there appears to be no real substitute for face to face team meetings. Most feel their efforts are worthwhile and their opinions count, no matter how small their contribution may be and so gain from meeting team colleagues
- Field accompaniment – even those in the most independent roles (i.e. sales) value the personal support from their manager; not only to help them directly in their work, but also to feel they are part of a good company with professional colleagues
- Recruiting and holding onto good sales talent is an ongoing challenge for sales managers and the support of HR to recruit and retain the best people is essential
- Despite the majority (71%) of sales managers having their performance reviewed either monthly or quarterly, 38% of the survey could not remember when they received any coaching from their boss. So sales managers are not getting the same level of support from their managers as they are giving to their people

Whilst there are opportunities for sales managers to get more of their salespeople engaged, these managers have to work particularly hard in a tough operating environment where the visible nature of sales means their teams can quickly become disengaged. Matching salespeople’s biggest motivators to the scope of the sales manager role, it is clear that every aspect planning, implementing and evaluating are all equally important and have to be performed well.

Sales managers should heed the warning signs of neglectful management – it impacts morale and causes frustrations amongst the sales force. Today the pressures on this toughest of management roles are also being felt to some degree by many other managers. Greater accountability has placed a high priority on measurements and controls with knock on effects like those identified in our survey, more remote control and the increase of one way communication, at the expense of quality exchanges and coaching.

It is acknowledged that it’s difficult to fulfil every aspect of the sales manager role effectively. In the light of this research however, surely the business benefits of a fully engaged work force and risks of a disenchanted work force should lead business to re-evaluate their policies and the priorities of their managers and, in particular, the support given to sales managers in their complex and essential role.

Credits

¹ Taken from a letter from David Cameron that was read out to finalists attending the 2011 Institute of Sales & Marketing Management’s British Excellence in Sales & Marketing Awards. TACK International judged the Sales Team of the Year category.

² Research undertaken by Business Link.

TACK International

As the UK's longest established brand in sales training, TACK International is a specialist in "all things sales". We have a substantial portfolio of open and in-company courses and the course content is regularly updated through our research into all aspects of selling.

TACK has monitored the trends in the sales profession and buyers' attitudes towards salespeople for many years. This research allows us to ensure that delegates attending our courses are kept informed of current business practice and buyers' preferences – aiding us to achieve our goal of raising standards within the selling profession.

For companies who want to grow their sales results and for sales professionals who want to develop their own effectiveness, TACK international – through our offices in 45 countries – will help transform sales performance through practical and innovative training, consulting and learning services which deliver a measurable return on investment.

The author Hugh Alford BSc (Joint Hons)

Hugh Alford is an independent researcher, analyst and training consultant. He's the author of TACK's 'Buyers' views of Salespeople' surveys in 1997, 2002, 2005, 2008 and 2010. In 2006 he produced the Ideal Sales Manager Index and Sales Force Engagement Study for TACK International.

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