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MTC BUILDING AND LEADING SALES TEAMS

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MTC BUILDING AND LEADING SALES TEAMS

PUBLIC TRAINING MANUAL

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UNDERSTANDING SALES LEADERSHIP & MANAGEMENT

1.0 Learning Outcome

By the end of the chapter, you will be able to:

a. Understand the Role of a Sales Manager
b. Know What Sales Leadership and Sales Management Is.
c. Identify Attributes of a Sales Leader
d. Comprehend the Sales Management Process
e. Analyze the Elements of Sales Leadership and Management

1.1 Introduction

How does a sales manager learn how to manage a sales team?

Unlike traditional business disciplines such as finance, marketing, or general management, most business schools offer few, if any courses, on sales or sales management. In addition, few companies offer comprehensive sales management training programs for their sales managers. This is counterintuitive because "*sales is the lifeblood of any business*". Yet the reality is that most sales managers learn how to manage through on-the-job experience.

Often, sales managers are former sales professionals (often star performers) who get promoted into management with little or no training in managing sales teams. Managing a sales team is probably the most challenging position in any company, requiring a unique set of skills.

Sales Managers are individuals who directly control and support a sales force. They are responsible for a range of diverse tasks, including recruiting and hiring new sales professionals, managing a sales pipeline, coaching, sales forecasting, and leadership and motivation. And in many organizations, sales managers are required to both sell and manage. Additionally, they face the challenge of managing sales professionals who are typically independent, strong-willed, and often have little day-to-day contact with their managers.

In short, the primary strategic role of a sales manager involves:

a. Setting goals for the sales team
b. Formulating a sales management strategy to achieve those goals
c. Executing that strategy while managing and motivating staff
d. Evaluating and reporting on the results of the strategy

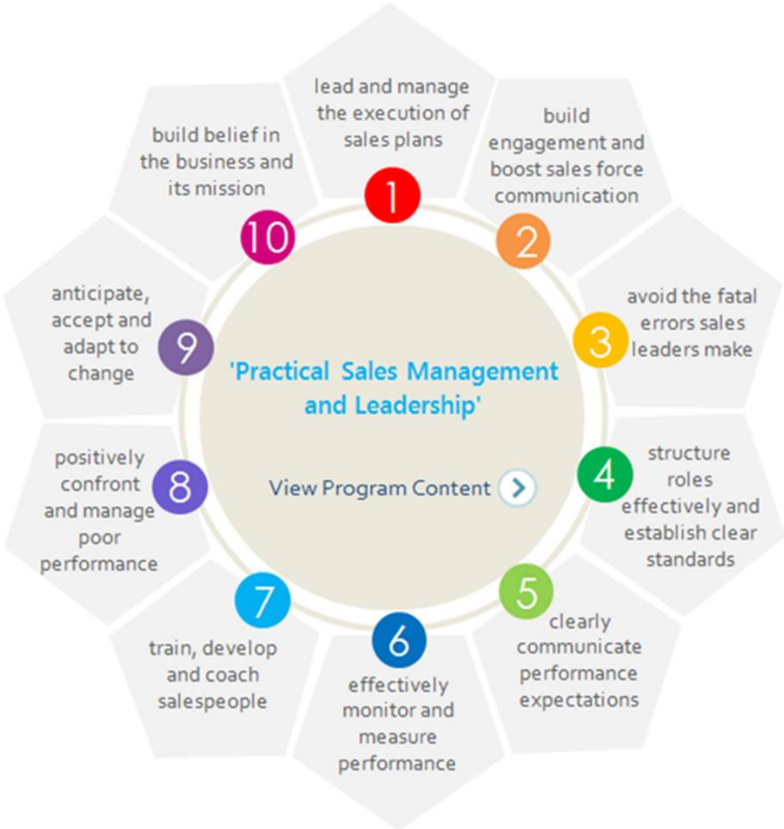

Figure 1:Practical Sales Management and Leadership

1.2 Sales Management Defined

The word sales management is a combination of two words: **Sales** and **Management**. Sales is the art of planning in the mind of another a motive that will induce favorable action. On the other hand, controlling is any common activity to achieve a pre-determined goal.

Hence, **Sales Management** has been defined by the American Marketing Association as:

"The Planning, directing and control of Personal selling including recruiting, selecting, equipping assigning, routing, Supervising, paying and motivating as these tasks apply to personal Salesforce".

There are three "umbrellas" to manage within the sales process:

a. *Sales Operations*: These are activities and processes within a sales organization that support, enable, and drive front-line sales teams to sell better, faster, and more efficiently.
b. *Sales Strategy*: Develop and document plans for positioning and selling company products and/or services to qualified buyers in a way that differentiates the company's solution from its competitors.
c. *Sales Analysis*: Generate reports that provide a deep glimpse into the performance of your sales team, including their successes and their shortcomings, as well as customer buying data and incoming revenue.

1.2.1 Sales Management Process

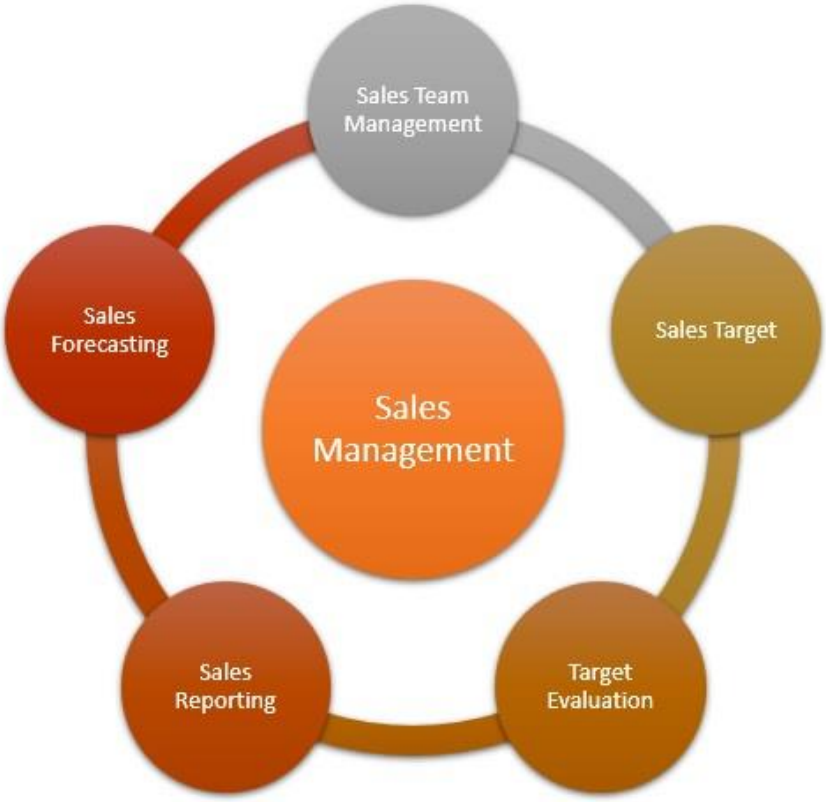

Figure 2: Sales Management Process; Source: MBA Skool

1.2.2 Benefits of Sales Management

The benefits of effective sales management include:

a. Increased sales revenue and profitability
b. Improved sales forecast reliability, thereby reducing revenue variability
c. Better satisfaction and loyalty both from customers and staff
d. Reduced staff turnover and therefore reduced recruitment and retention costs
e. Increased productivity per staff member

1.3 Sales Leadership

Sales Leadership involves strategic decision-making and the ability to inspire and motivate team members. Sales leaders meet and exceed company revenues by leading their teams to achieve revenue goals. Sales leadership roles are a good fit for professionals capable of long-term vision planning and who have excellent mentoring and decision-making skills.

The keys to effective sales leadership are:

a. Managing the Sales Process
b. Leading for Engagement and Performance

Successful sales leaders embrace this dual role. First, they recognize that effective sales leadership involves supporting salespeople in executing the entire sales process. These sales leaders keep current on the status of sales opportunities and provide support and guidance through all steps of the sales process, without trying to take control.

In addition, effective sales leaders recognize that the salesperson's environment is filled with tremendous ups and downs: win a big sale or account and the salesperson feels on top of the world; lose a customer or a big opportunity and that salesperson feels that the world has ended. Effective sales leaders know that a major part of their job is dealing with this emotional turbulence, providing salespeople with focus and direction, and creating an effective sales team.

1.3.1 Attributes of a Sales Leader

Figure 3: Attributes of a Sales Leader; Source: Sales Training Consultant

While sales leadership has many different dimensions, a sales leader must excel at the following:

a. *Sales Vision*: The ability to communicate and implement a sales vision provides focus and direction to the sales team. It helps prioritize activities, energizes the team, and improves performance.
b. *Decision Making*: Making decisions isn't always easy, but sales leaders need to weigh options carefully to make a high percentage of the right decisions. It is the best way to build confidence, respect, and trust.
c. *Influence*: The ability to persuade, motivate, and drive the sales team. Influence builds the sales team's commitment to accomplishing the sales manager's sales vision.
d. *Personal Abilities*: The final force in sales leadership, Personal Abilities, include attributes that are often difficult to measure and define, such as pride, fairness, and enthusiasm, along with tangible attributes like management skills.

1.3.2 Difference Between Sales Management and Sales Leadership

	Sales Management	Sales Leadership
1	Implements directions from above; is generally in reactive mode.	Generates new ideas and directions; is generally in proactive mode.
2	Directs salespeople and enlists their cooperation.	Motivates and inspires people to achieve goals.
3	Focuses on short-term day-to-day results.	Focuses on long-term vision.
4	Helps salespeople cope with change.	Helps salespeople initiate change.
5	Improves salesperson's skills.	Improves salesperson's attitudes and motivations.

Table 1: Sales Management vs Sales Leadership

1.4 The Elements of Sales Leadership and Management

14.1 Sales Planning

It involves setting objectives for the firm's sales efforts, formulation of sales strategies, and policies to achieve those objectives. The plan must be based on extensive market research, and the facts must be verified at every stage. The plan should also be evaluated, after investigating the total market, for the market performance. Flexibility must be provided, to allow for variation in processes. The plan should also be subject to continued review. The details of the plan should be discussed, with all the departmental heads concerned.

1.4.2 Sales Coordination

Coordination is all-pervasive and permeates every function of the management process. For example, ill planning, and departmental plans are integrated into a master. Plan, ensuring adequate coordination. Similarly, organizing starts with co-ordination wholly, partially inter-departmental, and inter-personnel matters. Coordination also helps in the maximum utilization of human effort by the exercise of effective leadership, guidance, motivation, supervision, communication, etc. The control system also needs coordination. Coordination does not have any special techniques.

Nevertheless, there are sound principles, on which to develop skills. It has a special need to help the staff, to see the total picture and coordinate their activities, with the rest of the team. The manager has to encourage direct personal contact, within the organization, particularly where there is lateral leadership. Harmony, and not discord, should be the guiding mantra. In addition, one has to ensure the free flow of information that is selective to the objectives of the business. No personal problems, arising from business operations are to be ignored but solved through a free exchange of ideas. This is especially true in the case of the salesforce of any organization.

1.4.3 Sales Controlling

It involves a comparison of the actual with the desired results, finding out reasons for the deviation, and taking corrective actions accordingly. The manager must check regularly that the sales activities are moving in the right direction or not.

He must take steps to ensure that the activities of the people conform to the plans and objectives of the organization. The controlling system should be such that one can study the past, note the pitfalls, and take corrective measures, so that similar problems may not occur in the future. The controller must ensure that the set targets, budgets, and schedules are attained or followed to the letter. There must be procedures to bring to light the failure to attain a target.

The control system must:

a. Prepare sales and market forecasts
b. Determine the level of sales-budget
c. Determine the sales quotas for each salesman
d. Determine, review, and select distribution-channels
e. Organize an efficient sales force
f. Establish a system of sales-reporting
g. Establish a system of statistical sales-credit
h. Establish stock control system(s)
i. Review of performance of the salesforce; and
j. Establish periodical testing programs.

1.4.4 Sales Motivation

Motivation is essentially a human resource concept. It aims to weld together distinctive personalities into an efficient team. For this, knowledge of human psychology is needed as a means of understanding behavior patterns. This is especially important in the case of Salesforce. Only motivated salespeople can achieve the company's goals.

1.5 The Objectives of Sales Leadership and Management

From the Company's Viewpoint, there are three general objectives of Sales Management

a. Drive Sales Volume
b. Contribution to Profits
c. Continuing Growth

1.5.1 Sales Volume

Achieving sales volume is the first objective of Sales. The word "volume" is critical because whenever a product sales start, the market is supposed to be a virgin market. Thus, there needs to be optimum penetration so that the product reaches all corners of the region targeted. Ultimately, penetration levels can be decided based on the sales volume achieved.

The sales volume objective, the cedi or unit sales volume management set as the target for a period, is the key quantitative objective. All other quantitative sales objectives derive from or are related to the sales volume objective. Thus, the discussion here focuses on the setting of sales volume objectives.

Setting the sales volume objective influences the setting of other quantitative selling objectives, among them the following:

a. To capture and retain a certain market share.
b. To obtain sales volume in ways that contribute to profitability (for example, by selling the "optimum" mix of company products).
c. To obtain some number of new accounts of given types.
d. To keep personal-selling expenses within set limits.

e. To secure targeted percentages of certain accounts' business.

1.5.2 Profitability

Sales bring turnover for the company and this turnover results in profits. Naturally, sales have a major contribution to profit, and it is categorized as a profit function in several organizations.

A surprisingly frequent underlying reason why the sales force fails in maximizing company profitability is that the senior managers themselves do not have a clear understanding of the company's key profitability drivers. This makes it impossible for them to communicate to the sales force clear, implementable objectives and systematic procedures to accomplish them. Some senior managers feel there is no time to analyze and understand the factors affecting profitability and devise concrete measures to guide managers in their efforts to maximize profits. This is a major error.

The core responsibilities of senior management are to set strategy and objectives, secure resources, and maximize profitability. It is imperative that top managers have a deep enough knowledge of profitability management to be able to communicate that wisdom to the sales force. It is futile to simply instruct the sales force to produce the most profitable results.

1.5.3 Growth

A company cannot remain stagnant. A company cannot survive without continuous growth. If there is no innovation at the product level or the company level, then the company has to be blamed. But if the products are good, and still the penetration is not happening, then it is the fault of the sales manager and sales executives.

This is very important from the viewpoint of top management because it formulates plans and strategies. As the sales management remains directly connected with consumers and markets, it keeps a hand on the market pulse. It can experience the pace of growth and inform the top management, so that top management can take corrective actions if necessary.

1.5.4 Other Types of Sales Management/Leadership Objectives

Sales Management objectives can also be categorized into Quantitative and Qualitative.

a. Quantitative Objectives (Short-term)

i. To retain and capture market share.
ii. To determine sales volume in ways that contribute to profitability.
iii. To obtain new accounts of given types.
iv. To keep personal expenses within specified limits.
v. To secure a targeted percentage of certain accounts of businesses.

b. Qualitative Objectives (Long-term)

i. To do the entire selling job.
ii. To service existing accounts, (customers).
iii. To search and maintain customer cooperation.
iv. To assist the dealer in selling the product line.
v. To provide technical advice wherever necessary.
vi. To assist in the training of middleman's sales personnel.

vii. To provide advice and assist the middlemen.
viii. To collect and report market information of interest and use to the company management.

1.6 Core Principles of Sales Management

1.6.1 Customer- Cetric Focus

A strong dedication to customer satisfaction lies at the core of contemporary sales management. Today's sales tactics need to concentrate on establishing lasting relationships rather than just closing deals. Understanding the changing requirements, problems, and expectations of consumers is a key component of a customer-centric approach. Throughout the buyer journey, sales managers need to make sure that their teams are actively listening to clients, offering customized solutions, and consistently delivering value. In order to foster trust, loyalty, and repeat business, this principle also calls for the organization's messaging and products to be in line with what the customer actually values.

1.6.2 Strategic Planning

Sales does not thrive on chance; it thrives on strategic foresight. Effective sales management begins with developing comprehensive sales plans that align with the organization's broader objectives. Strategic planning involves market segmentation, identifying high-potential customer segments, and positioning products or services accordingly. Sales managers must set clear, measurable goals and allocate resources, time, and budget, based on anticipated returns. Strategic planning also includes risk assessment, competitive analysis, and scenario planning to ensure the sales organization is well-prepared to navigate uncertainty.

1.6.3 Talent Development

Sales success is ultimately driven by people. Recruiting individuals with the right blend of interpersonal skills, resilience, and business acumen is the first step. However, the real value lies in ongoing development. Sales managers must invest in training programs that enhance product knowledge, improve selling techniques (e.g., consultative or solution-based selling), and refine soft skills such as communication and negotiation. Motivating the team through clear career paths, incentives, and recognition also plays a pivotal role. A well-supported sales force not only performs better but also fosters a culture of excellence and continuous improvement.

1.6.4 Adaptability and Agility

Markets evolve, and so must sales organizations. The ability to adapt quickly to change—be it in buyer behavior, technology, or competitive dynamics—is a vital principle of sales management. Sales leaders must foster a culture that embraces innovation, tests new approaches, and adapts to remote or digital selling environments when necessary. Agility also involves listening to feedback from the field and making real-time adjustments to tactics and messaging. Organizations that remain rigid in their processes risk losing relevance in fast-moving markets.

1.6.5 Performance Measurement and Accountability

What gets measured gets managed. Clear performance metrics and an accountable culture are the foundation of high-performing sales teams. SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) goals must be set by sales managers in accordance with the sales strategy. Sales cycle time, transaction size, win rate, and revenue growth are examples of Key Performance

Indicators (KPIs) that provide information about both individual and team performance. Data-driven feedback loops, individual coaching, and regular performance assessments all aid in spotting poor performance early on and serve as a foundation for remedial action. Accountability guarantees that every team member understands their role in the larger goal and promotes discipline.

1.7 Roles and Responsibilities of a Sales Manager

1.7.1 Sales Planning and Budgeting

Sales planning and budgeting are crucial responsibilities for sales managers. Sales planning involves formulating strategies to meet revenue objectives, identifying profitable markets, and outlining goals. Budgeting ensures efficient allocation of resources, aligning sales with organizational goals, ensuring financial control, and optimizing resource use. Effective planning and budgeting help the sales manager align the sales function with broader organizational goals, ensure financial control, and optimize resource use.

1.7.2 Recruiting, Selecting, and Training Salespeople

Salespeople are the face of the organization to customers, and their performance greatly influences business outcomes. It is the responsibility of the sales manager to recruit, select, and train a capable and motivated sales team. This begins with identifying the skills, experience, and attitudes required for success in various sales roles.

The selection process typically involves screening resumes, conducting interviews, assessing competencies, and evaluating cultural fit. Once selected, salespeople must be trained in product knowledge, sales techniques, customer relationship management, and organizational procedures. Ongoing training programs are equally important for skill enhancement and adapting to market changes. By investing in talent development, the sales manager ensures that the sales force remains competitive and aligned with business goals.

1.7.3 Motivating, and Leading the Sales Force

The manager plays a leadership role in motivating and guiding the team. This involves setting a compelling vision, fostering a positive work culture, resolving conflicts, and providing ongoing coaching and mentorship. A motivated sales force is more productive, customer-oriented, and loyal to the organization.

1.7.4 Measuring and Evaluating Sales Force Performance

Evaluating performance is essential for continuous improvement and accountability. The sales manager must implement a system for measuring individual and team performance against predefined metrics such as sales volume, conversion rates, deal size, customer satisfaction, and quota achievement.

Regular performance reviews allow the manager to identify high performers, uncover training needs, address underperformance, and recognize achievements. These evaluations also serve as a basis for career development discussions, compensation adjustments, and succession planning.

1.7.5 Monitoring the Marketing Environment

The external marketing environment is constantly evolving, and a sales manager must remain vigilant to monitor changes that affect sales strategies and execution. This includes keeping abreast of competitor moves, regulatory developments, technological innovations, customer behavior shifts, and broader economic conditions. By monitoring the environment, the sales manager can proactively adapt strategies, introduce new tools, adjust pricing, or reposition products to maintain relevance and competitiveness. This role also involves collaborating with the marketing team to ensure alignment in messaging, campaigns, and customer engagement tactics.

1.8 Recap of Chapter

a. Sales Managers are individuals who directly control and support a sales force. They are responsible for recruiting and hiring new sales professionals, managing a sales pipeline, coaching, sales forecasting, and leadership and motivation.
b. The benefits of implementing a sales management system includes increased sales volume, improved profitability, and sustainable growth.
c. Key elements of sales leadership and management, including sales planning, coordination, controlling, and motivation.
d. Sales Leadership involves strategic decision-making and the ability to inspire and motivate team members.

1.9 Exercises

a. How does a customer-centric approach reshape the traditional sales management process, and what are its long-term benefits for both the business and its clients?
b. In a rapidly changing business environment, what strategies should sales managers adopt to maintain team performance and adaptability?
c. What key skills and competencies should a sales manager possess to effectively lead a sales team, and how do these differ from those of a sales representative?

TRANSITIONING TO SALES MANAGEMENT

2.0 Learning Outcome

By the end of this chapter, you will be able to:

a. Develop Essential Skills As a Sales Manager
b. Understand the Current Sales Culture
c. Better Understand Team Members
d. Adapt to Being a Team Player and a Team Leader

2.1 Introduction

Companies tend to assume that successful sales professionals will make successful sales managers. This is a flawed assumption. Think about professional sports where many great players ended up being mediocre coaches. Likewise, great sales professionals often have a hard time making the transition to management. The key reason the transition from sales professional to sales manager can be challenging is that each role requires a different set of skills and knowledge:

	Sales Rep	**Sales Manager**
1	Prospecting skills	Setting team goals, priorities
2	Questioning skills	Recruiting & selecting
3	Listening/Communication	Coaching
4	Managing objections	Sales performance management
5	Gaining commitment	Leadership & motivation
6	Time management (self)	Time management (team)
7	Product knowledge	Industry knowledge and trends

Table 1: Sales Rep vs Sales Manager

2.2 Moving from "Selling" to "Managing"

While it is likely that you came from the world of selling, it is not a requirement. Sales managers typically choose management themselves, but other times senior management chooses them because they are well respected by their peers, and they possess many of the necessary traits of a good manager and leader. While understanding the elements of selling is very important, what it takes to manage is a very different skill set. The following is a brief look at sales versus sales management and where they overlap.

First, it is necessary to understand what the ideal salesperson should look like. The person typically exhibits the following behaviors and traits:

Attentive	Courteous	Credible	Driven
Empathetic	Engaging	Enthusiastic	Passionate
Poised	Presentable	Results-Oriented	Smart
Good Listener	Knows the Products	Aggressive	Articulate

Furthermore, the truly well-rounded sales professional needs to possess four core areas of skills:

a. The communication and interpersonal skills necessary to carry out sales
b. A mastery of the sales process and how it relates to the business
c. Fundamental business competency
d. A solid understanding of the industry and marketplace

On the other hand, the ideal sales manager has his/her own exemplary characteristics and traits, including the following:

Ambitious	Caring	Dedicated	Driven
Ethical	Moral	Passionate	Patient
Results-Oriented	Supportive	Smart	Understanding
Able to Help & Motivate	Collaborative	Empathetic	Strategic

When you compare these to those of the salesperson, you will see many overlapping characteristics; yet look at them more closely, and you will clearly see areas of difference.

The four core areas of skills that truly well-rounded sales managers must possess are:

a. Critical management, communication, and team-building skills
b. The ability to lead into the future
c. An in-depth understanding of the business dynamics and competitive forces that impact the sales strategy
d. The core tools for building and managing accounts and channels of distribution

The interesting thing about sales managers is that they never fully remove themselves from the sale. "*Selling*" or "*working*" managers are good examples of this truism. For instance, in many companies, managers are expected to do just that manage while in other organizations managers oversee a certain number of accounts. They are expected to meet their "*numbers*" as well as ensure that their team does the same.

This scenario is common with many smaller sales organizations in which the limited budget and resources require a manager to cover a certain number of accounts. However, this is also the case with some of the largest corporations, the logic being that the sales manager built and forged many of the relationships as a salesperson, so why lose some of that momentum now? In a company with this philosophy, you would be very involved with customers during the entire sales process.

Remember, whether you are in an actual sales capacity or not, "*selling is everything.*"

2.3 Understanding the Current Sales Culture

Before looking at some of the challenges you face as a new sales manager, it is important to take a deeper look into your corporate and departmental culture. The sales culture you are inheriting (good, bad, or indifferent) has its roots in the larger corporate environment. The culture within an organization or even industry is an extremely broad topic. In this context, it does not relate to a person's country of origin. Rather, it relates to the overall feeling that one gets when working in an industry, company, or department.

Cultural misalignment is often the reality. The ideal is where all three cultures meld together. It is important to understand how much cultural overlap there is between your department and your company, and your company and the industry. When there is more overlap, there is a greater chance of success. Here are some questions you should ask in determining the business culture that surrounds you.

2.3.1 About the Industry

a. Is it a conservative environment? Is the dress code formal or casual?
b. Is it a very analytical type of business? Typical industries include research, consulting, engineering, etc.
c. Is it a creative environment? Typical industries include consumer products, advertising, etc.

2.3.2 About the Company

a. What does senior management value?
b. How does your company communicate to outside stakeholders, the media, etc. (public relations and corporate communications)?
c. Is the corporate culture actually defined by your organization?
d. How are performance management and reviews are done at your company (hierarchical, 360, peer review, etc.)?

2.3.3 About the Department

a. Is there a great deal of interaction among departments, or do individuals or separate groups work in silos?
b. Is there an "us versus them" mentality? For instance, is there competition for budgets, resources, etc.?
c. What are the differences or similarities among departments such as marketing, sales, finance, human resources, research and development, operations, etc.?

The problem of cultural misalignment is often exhibited in large corporations with numerous business units, where a distinct culture could exist in different parts of the company. Industries that would commonly fall into this category are media conglomerates, financial services, consumer products, and most multinational corporations. But ironically, many small companies have similar "culture clashes" to contend with. Of course, you are not likely to be in a position to affect major change across the organization, but you can play your part, and that's something you should keep in mind.

Now that you have looked at the different levels (industry, corporate, departmental), it is important to relate your department to the overall company. For example:

a. How is sales viewed by the company?
b. Do resources (people, time, money) seem limited, or is there an abundance of resources available?

c. To what level of detail do you have to prove your business case?
d. Are your and the rest of your department's collaboration with others expected, and is it easy or difficult to achieve?
e. Does the human resources department support your efforts with training, compensation planning, rewards programs, hiring, counseling, etc.?

While all these areas will be explored in more depth, you should at least be making mental notes of some of these questions and/or issues. Now that you are in the management ranks, you will have ways to effect change, be it subtle or major change initiatives. Some of these categories might be as small as facilitating more discussions with other departments like marketing and finance. But you may affect a large-scale initiative, like changing the performance management process to better achieve corporate objectives.

Now that you have the basics for understanding the culture and environment you operate in, it is necessary to focus on some specific challenges and opportunities that fall under your new management responsibilities.

2.4 Understanding Who Is on The Current Team

2.4.1 Managing Former Peers

The first issue for many new managers is managing those who just days ago were at the same level as them. Several issues crop up when a person is promoted to manage people who were formerly peers.

They commonly fall into the following three categories:

a. Managing friends
b. Managing non-allies
c. Managing experienced salespeople

Before delving into the challenges, let's first look at some of the positives. The new sales manager already knows many of the sales representatives' strengths and weaknesses. This is a tremendous asset when it comes to delegation. This also gives the new manager early insights when preparing a plan for the training and development of team members.

In addition, the newly appointed sales manager already has a certain amount of rapport with the team. This allows for open discussions about issues. A good rapport also creates a supportive foundation for problem-solving and achieving goals.

As a new manager, you already possess certain management and leadership characteristics and have the backing of the management team. This enhances your credibility with both management and your sales staff. Furthermore, as a new manager, you have overnight gained "position power." Whether you now have a new corner office, or you remain in the same compact space, the fact is that power has shifted.

At the same time, without having extensive management experience and practice under your belt, making the transition to management is a significant adjustment. Even areas that seemed very basic and straightforward before will require extra effort and attention. Here are some of the core categories that touch on this transition phase of your new job as a sales manager.

2.4.2 Managing Friends

Many management consultants and psychology of management pundits suggest that any friendship should be set aside after a hierarchical change. The logic is that it is difficult to discipline and effectively give direction if you are too close to your subordinate. Also, the inherent premise in friendship is that both people are more or less on par with one another. Now the simple act of changing your title can change perceptions and emotions. Friendships are complicated even before someone is promoted, so when business and money are involved, this can only further complicate any issues or tensions.

On the other hand, friendships won't necessarily complicate working relationships. If handled correctly, the closeness of the relationship could lead to more positive results for all parties involved.

One of the mistakes people make with friends is to confuse work and personal issues. This can sometimes lead to the manager advising their friends on issues that are unrelated to the job, yet the line is still blurred. Advising because you care is part of being a friend. But a boss is in a position of power in the relationship. Advising a friend (now a subordinate) may suddenly seem like you are judging him. Even when you are giving advice directly related to the job, it can be difficult to do so; if the feedback is negative, she may feel that your perception of her has changed negatively. If this starts to happen, it hurts the team, the friendship, and the company. This problem can be avoided by proper goal setting and relating feedback to the goal. If you set goals properly and both parties accept them, the manager won't appear to be judging the friend. The friend's achievement will be measured by whether or not she reaches the goal.

Another challenge early on in management is dealing with the weaknesses of a friend and/or former peer. How does a sales manager approach this person to correct a problem without destroying the relationship? Here the manager must specifically define and isolate the negative behavior and focus on the job and the performance requirements, not on the personality. For example, you might be tempted to say, "*Sally, what's with all the complaints you have with the finance department? I think you are overreacting to the terms they are stipulating for new customers. It's making us all look bad.*" Instead, you could say: "*Sally, why don't we sit down together with Steve in the finance department and talk about their requirements? They probably have some policies they must abide by and that make sense. We can stress the importance of getting new customers on board with minimal delays and see about making some subtle changes that will help you to close new business. Does that sound okay?*" Here you have avoided using subjective words like overreacting, which would likely cause Sally to become defensive instead of open to dialogue. If you make the discussion more objective and focus on any positives, Sally is likely to be more receptive to your feedback.

An additional challenge to working with friends is maintaining that relationship while not letting it interfere with the success of the team. You must establish and agree on a business relationship as well as a social one. In other words, the notion of setting up boundaries is as important in your business life as in your private life. Others must not feel alienated or as if they are at a disadvantage. You always need to consider your rapport with the others on the team. If your team does not believe everyone is going to be treated equally, the team is at risk of falling apart. While some level of jealousy is inevitable, if unresolved it can become pervasive and hurt the team, the company, and most importantly you and your career growth.

2.4.3 Managing Non-Allies

As a sales manager, you will likely have to face the challenge of managing unsupportive people. Many times, members of your team may not have been allies, to begin with, or perhaps they felt that they or someone else should have received the promotion ahead of you. In other words, they don't feel you deserve the job. But remember, you were promoted with good reason, so don't let people like this affect your mindset. You were probably promoted because of a combination of your past success and your propensity to be a leader. It's important not to forget this, though you also need to be careful not to take it for granted or suddenly put it on the air. The good news is that in most cases you can greatly reduce if not eliminate negative perceptions of yourself. This is not something that happens overnight, so it will require patience on your part as well.

Mastering the competencies will greatly enhance your ability to eliminate this potential threat. If you practice solid management fundamentals, non-allies can become great allies. You could be pleasantly surprised to find that some of your most difficult staff could turn into your most ardent supporters.

2.4.4 Managing Experienced Salespeople

Some experienced salespeople may be resistant to a new sales manager. At the same time, new sales managers may be fearful of managing that seasoned or star salesperson. New managers often question their own abilities. However, the expectation is not that you came into this role with all the practice and skills necessary. Be realistic about your staff as well as yourself. It is not in your best interest to avoid, smother, or micromanage the veteran sales players. Winning the confidence of an experienced salesperson is best done through goal setting. You must eliminate personality issues as quickly as possible.

Again, focus on the position and its expectations and outcomes. As a sales manager, you will gain respect quickly by identifying and maximizing the talents of each team member, including those who believe they do not need any help. Just as you have room to grow, so do the top performers on your team. It is common for star performers to plateau rather than build on their successes, thus keeping a lot of business on the table that could be further exploited.

Experienced salespeople can also be a valuable resource. Their advice can eliminate a great deal of trial and error and help you establish yourself quickly, particularly if they play corporate politics well and are thus able to shed a positive light on you. It is one of the primary tasks of a sales manager to maximize each team member's talents regardless of his experience level.

A key role of a manager is to help his employees offset any weaknesses through the development of better habits. At this time, you may wish to chart some areas of strengths and weaknesses of each of your team members.

2.5 The Challenges of Being on Two Teams at Once

One of the issues faced by a new sales manager is the fact that the manager is now a **team player** on the management team as well as the **team leader** of the sales team.

This dual capacity creates some distinct loyalty issues, especially in times of conflict, between the salespeople and others at the corporate office. But your new position has at least two pluses. The first is that you now have an opportunity to change some of the decisions that seemed inappropriate when you were in a sales position. Maybe there was a communication problem from corporate headquarters, or maybe there was a lack of coordination between departments. Whatever the issue, you now have an opportunity to address and find ways to alleviate at least some of your concerns.

The second advantage is that you now have access to information that was not available before. There is a saying about the tree of success: *The higher up the tree you go, the farther you can see*. When investigating a defined concern, information may become available that justifies the current system. What appeared to be broken may work with some adjustments or modifications. On the other hand, your new perspective may allow you to develop a plan that would convince upper management to make some changes that would fix a broken system that has been directly affecting your sales department.

It is critical for the new sales manager to set priorities when considering those issues that need to be improved and then, through a coordinated effort with both the sales team and the management team, work through the issues. Also, keep in mind that most problems cannot be resolved right away. In many instances, careful planning and, again, patience are essential in order to generate solutions.

Another challenge of being on two teams is of managing the flow of information. It is up to you as a manager to function as part of the management team and then communicate and coordinate at the sales level. How you interpret and disseminate information from the management team is key to getting the respect and buy-in that will help produce the desired results out of your team. This also holds true for information flow from your team to senior management. Here you must be careful to filter but not stifle communication, as information should flow as much from the top down as from the bottom up.

The exciting part is that you are now in a better place to influence many decisions. When you were a sales representative, the job was very clear, at least to you. Tasks needed to be completed in a timely fashion. You were in control of the overall job, and this allowed you to complete your tasks successfully. In time, your knowledge of the job and your confidence level were likely high. Now someone else is doing the job you were doing. And that person is not doing it the same way you did. Remember that having carbon copies of yourself on the sales team is never a good idea, so unless there is a real performance issue, allow for some differences in the way your team members handle things, and be careful not to micromanage. People come from diverse backgrounds, and each team member possesses a different skill set that she brings to the table. It is not the sales manager's job to clone himself, but to capitalize on all the existing team assets and build from there.

You are no longer primarily evaluated on the functional ability of account management, but rather on your ability to make sound decisions that maximize the effectiveness of the sales force. Therefore, while you may still have to maintain some direct account responsibilities, your overall role and relationships with customers will change as well. For example, one of the most common challenges for a new sales manager is to have the courage to let go. Often, a new manager will burn out because she wants to continue performing responsibilities tied to the old job and do the new job at the same time. Work hours expand, and both business and personal stresses come into play. Sales managers must use strong judgment skills to set priorities and then live by them. If not, you as well as the team will inevitably suffer in the long run.

Currently, it is important to fully recognize that the term micromanager never has a positive connotation. Everyone is familiar with this term, and while intuitively we recognize that it is wrong to manage by breathing down our staff's neck, it is still all too common. In fact, studies have found that the number one reason that employees leave a company is because of a problematic relationship with their direct supervisor. While a troubled relationship with your manager is not always due to micromanaging, it can only exacerbate an already fragile or strained one. Therefore, there is no reason to perpetuate or be a part of this statistic. And the best way to ensure that you don't end up becoming a micromanager is by following sound management principles and by continually striving to become a better manager.

If you are working for a micromanager now, someone who is unreasonable with their requests, tries to control all of the details of your work, stifles your creativity, hinders your opportunities for career advancement, and just plain makes your job not enjoyable, don't overreact and let it get the best of you. Try and remember that micromanagers have their own personalities and are likely acting on deep-seated problems that have nothing to do with you. Their style is more likely related to their personal life than their business life.

Following are some other things to consider:

a. By keeping a micromanager in the loop on certain core aspects of your job, especially any looming issues, you are heading off major confrontations.
b. Pick your battles, because not everything is worth going toe-to-toe on. Realize that while an expectation might seem unreasonable, it could have an impact on your boss's job, and she might just be looking out for herself.
c. When in doubt, take some time and regroup. When you put it in perspective, very little is worth getting yourself worked up over, before, during, or after the fact.

Of course, much of the advice above pertains to how you should work with any manager, good or bad. Yet it is usually the poor ones that make it more necessary to work on your coping skills.

By improving your relationship with your managers, you can have a clearer head and perform at a high level, so that you and your staff can benefit. Your sales team will increase performance, customers will receive the attention they deserve and expect from both the salesperson and you as a supportive manager, and your career will further advance.

All this amounts to the fact that your business world will be changing. You have a whole new set of challenges and opportunities ahead of you.

2.6 Embracing Change

Another critical aspect to become more comfortable with in order to succeed as a manager and in all areas of your life is change.

Much has been written about dealing with change and ways to embrace it so that it boosts you rather than bringing you down. The main thing to remember is that change is inevitable. Whether it is in your personal life or your career, nothing will remain stagnant, and, if something did, it would likely become boring or monotonous.

Unfortunately, change often has a negative connotation. However, not all change is bad, and in fact, what often seems like a difficult transition can often be not only managed but turned into a positive. Those who excel in their careers can work best in a changing environment, rather than fearing it. Everyone handles change differently, and most struggle with it (or at least are cautious or hesitant about it). You can do just the opposite.

The two main areas to think about when change occurs are:

a. How might it affect you?
b. How might it affect your team?

After that, it's critical to break down the pieces of the change one by one. Since change can range from major corporate downsizing to adjusting the way your team turns in reports, you need to recognize what the change is all about and what repercussions it can have.

Some questions to ask are as follows:

a. How dramatic might this change be (layoffs or procedural change)?
b. How closely does it impact you and your team (directly related or just a marginal change)?
c. How likely will this change occur (definite or just a remote possibility)?
d. When is that change likely to occur (at once or in the medium or long run)?
e. Is the decision being made out of your hands, or is it something that you can have a say in?
f. Who is the change agent (you, someone else, or a group of others)?

By looking at a change in all its parts, you can more easily begin to embrace it. While change can initially seem like it is either positive or negative, having no middle ground, it can be avoided (usually not the recommended approach), skewed in your favor, or at least mitigated so that the

effects are not so drastic. Furthermore, while on the surface certain change seems entirely out of your hands, the way you react to them is entirely in your grasp.
Once you understand what the change is all about, try these simple tips to help you cope with it.

a. Limit your stress about the change, especially before anything has actually happened. It only exacerbates a problem and clouds your thinking or judgment.
b. Once you know where the change is coming from, work with it, not against it.
c. Have confidence in yourself. You have earned this position. You have also effectively handled change many times before.
d. Be a creative thinker. Don't get caught up in overanalyzing the situation.
e. Ask questions. That's really the only way to get to the answers and to be able to see where you fit into the equation.
f. As best you can, map out your own plan to deal with the change as well as a backup plan should it not occur.

In short, since you already know that change is inevitable, work in coordination with it, rather than resisting it. This conscious level of thought about change and ways to handle it is what will set you apart from others.

2.7 The Big Picture: Short & Long-Term

As a new manager you are faced with much of the above, and more! You probably felt overwhelmed before you had staff to manage, and now you have a whole new set of challenges. Again, it is important to take a deep breath and realize that you do not have to tackle every issue at once. For the moment, stay focused on the big picture, especially where you are today and where you want to be in the future.

The following are some categories to consider as it relates to your new job today and tomorrow:

2.7.1 Short Term

In the short term (i.e., over the next three months), you should be getting to know your staff, managers, customers, and the major components and requirements of your new role.

Know Your Staff

a. Learn what they like most and least about the job.
b. Begin to identify areas where they excel and where they need the most assistance and support.
c. Get a feel for their workload (sales in progress, pipeline, follow-ups, proposals in progress, etc.).
d. Identify any major customer opportunities or problems that need immediate attention.
e. Identify any larger staff problems (counseling, probation, etc.) that are pressing and require either your and/or the involvement of others.

Your Managers' Expectations

a. Find out what their daily, weekly, and monthly demands are.
b. Determine if they are more hands-on–style or hands-off–style managers.

c. See what initial reports, analyses, and/or assessments they expect from you.

Meet Others in the Organization

a. Begin to network with others in the organization.
b. Meet people of various levels and in various departments.
c. Get a feel for how they tie into what you do and how you can benefit one another.

Meet Customers

a. Determine which customers are of strategic priority.
b. When appropriate, make an introduction (by phone or in person) along with the corresponding salesperson.

2.7.2 Long Term

As you look toward the future, you will need to consider where you want both you and your team to be.

Your Team

a. What shape would you like your team to take in the next six months, year, etc.?
b. Identify any major gaps in resources that you would likely need to fill.
c. What are your manager's expectations of you and your team in the long term?

Your Career

a. What are your career aspirations?
b. Do you wish to move up in the ranks of sales management?
c. Do you wish to eventually move into another area such as marketing or operations?
d. Do you wish to eventually become a C-level officer (CEO, COO, CMO, CIO, etc.)?
e. What about switching industries down the road?
f. Are you in a very technical profession?
g. How transferable are your skills?

Whatever your interest and long-term aspirations, you are probably a committed person who, for a combination of financial and/or nonfinancial reasons, is motivated to succeed as a sales manager. So, sit back for a moment and take a look at the big picture before you get caught up in the minor details. It's always a good idea to start.

Also, rest assured that while some solutions are more difficult to find than others, there is almost always an answer. The time it takes to get there may vary. Many times, you alone will not be capable of remedying a problem. You will have assistance along the way. This may include having to turn over the problem to another key stakeholder. However, you will need to become adept at recognizing the different scenarios so that you can react appropriately.

2.8 Recap of Chapter

a. Transitioning to sales management involves shifting focus from individual selling to leading and supporting a team.

b. Understanding the existing sales culture helps align your management style and build rapport with the team.
c. Managing experienced salespeople involves acknowledging their expertise and providing ongoing development opportunities.
d. Balancing responsibilities between two teams requires prioritization and effective communication.
e. Embracing change is crucial to driving improvement and achieving goals.

2.9 Exercises

a. How can sales managers effectively align their sales strategies with the broader organizational goals to ensure long-term success?
b. In what ways can a sales manager foster a customer-centric sales culture while maintaining productivity and motivation within the team?
c. What are the key factors to consider when recruiting, selecting, and training a sales team, and how can these processes be improved to ensure a high-performance sales force?

BUILDING AND LEADING SALES TEAMS

3.0 Learning Outcome

By the end of this chapter, you will be able to:

a. Explore Strategies used in Recruiting and Selecting the Right Talent
b. Understand Team Structuring and Role Clarity
c. Effectively Engage their Sales Team
d. Identify Appropriate Leadership Styles in Sales Management

3.1 Recruiting and Selecting the Right Talent

Recruiting and selecting the right talent is one of the most critical responsibilities in sales management. The strength and success of any sales organization hinge on the quality, motivation, and fit of its people. Below are some key factors to consider in recruiting and selecting the right talent.

3.1.1 Understanding the Role and the Ideal Candidate Profile

The foundation of any successful recruitment process begins with a deep understanding of the sales role itself. Different sales positions require different strengths: a business development representative needs to be persistent and outgoing, while a key account manager must be relationship-focused and strategic. Therefore, sales managers must clearly define the responsibilities, expected outcomes, and key performance indicators (KPIs) associated with each role.

Equally important is the development of a candidate profile, a blueprint of the ideal salesperson for the role. This profile should include not only qualifications and industry experience but also soft skills such as communication, emotional intelligence, resilience, and adaptability. By aligning the candidate profile with the company's goals and culture, managers can ensure they are targeting individuals who will thrive and contribute meaningfully.

3.1.2 Sourcing Talent Strategically

Once the role is defined, the next step is to attract potential candidates from the right channels. Some of the most effective sourcing methods include:

a. Online job boards and company career portals – useful for reaching a broad audience quickly.
b. LinkedIn and other professional networks – ideal for targeting experienced professionals and passive job seekers.
c. Employee referrals – often yield high-quality candidates because employees tend to refer individuals who match the company's culture.
d. Industry-specific events, university career fairs, or sales competitions – these can help tap into niche talent pools or early-career professionals with high potential.
e. Strategic sourcing ensures a diverse and qualified applicant pool, increasing the odds of finding top performers.

3.1.3 Screening and Shortlisting Candidates

With candidates in the pipeline, the next responsibility is screening and shortlisting. This step ensures that time and resources are invested only in the most promising applicants. Screening typically involves reviewing resumes to identify relevant experience, achievements (such as quota attainment or sales awards), and tenure at previous jobs.

Initial phone or video interviews are often used to assess a candidate's communication skills, motivation, and cultural fit. This early interaction provides valuable insight into how a candidate might interact with customers and adapt to the company's sales environment.

3.1.4 Conducting In-Depth Interviews

The interview stage is crucial for deeper evaluation. Effective sales recruitment often includes multiple types of interviews:

a. Behavioral Interviews: Questions like "Tell me about a time you turned around a failed deal" help assess real-world experience and problem-solving.
b. Situational Role-Plays: Candidates may be asked to "sell" a product to test their pitch, objection handling, and rapport-building skills.
c. Technical or Product Knowledge Tests: Useful in complex B2B sales where understanding the product is essential.
d. Panel Interviews: These bring diverse perspectives into the decision-making process and help evaluate cultural fit and professionalism.

3.1.5 Conducting Reference Checks

Even the most polished interviewee may not always be what they seem. That's why reference checks are an essential component of the hiring process. By speaking with former supervisors or colleagues, sales managers can validate claims made by the candidate, gain insights into their working style, and confirm cultural fit. Reference checks also help uncover any red flags or concerns that may not be evident during interviews.

3.1.6 Making the Hiring Decision

After thorough assessment, the sales manager must make a data-driven hiring decision in collaboration with HR and other stakeholders. The decision should consider all aspects—technical ability, interpersonal skills, cultural alignment, and growth potential. The chosen candidate should not only meet the current needs of the role but also have the capacity to evolve as the business grows. The offer process should be handled with transparency and professionalism, outlining compensation, benefits, expectations, and career progression clearly to ensure mutual understanding and commitment.

3.1.7 Onboarding and Early Integration

Recruitment doesn't end at acceptance. A structured onboarding process ensures that new sales hires start strong. This includes:

a. Orientation: Introducing company culture, mission, and policies.
b. Sales training: Covering product details, CRM tools, internal sales processes, and customer segments.

c. Shadowing and mentorship: Pairing with experienced reps to shorten the learning curve.
d. Goal setting: Establishing for instance a 30/60/90-day plan with achievable performance benchmarks.

3.1.8 Monitoring and Supporting Early Performance

In the first few months, new sales hires should be closely monitored and regularly coached. Sales managers should provide feedback, recognize early wins, and address performance gaps in a constructive manner. Encouraging a culture of continuous learning and communication sets the tone for long-term success and builds trust between the manager and the new hire.

3.2 Best Practices in Recruitment and Selection of Sales Team

3.2.1 Align with Business Objectives

Sales hiring should support long-term strategic goals such as market expansion, customer retention, or penetration into new industries. Understanding the broader objectives ensures that the new hire brings not just the right skills, but the right strategic fit.

3.2.2 Use Multiple Sourcing Channels

Cast a wide net by leveraging job boards, internal referrals, social media (especially LinkedIn), recruitment agencies, and industry events. A diversified sourcing strategy increases the chance of attracting both active and passive candidates.

3.2.3 Structure the Interview Process

Use a mix of behavioral, situational, and competency-based interviews. Include role-plays or mock sales calls to evaluate candidates' communication skills, product knowledge, objection handling, and closing techniques. Involve multiple stakeholders (e.g., HR, peers) for well-rounded assessments.

3.2.4 Assess for Culture and Team Fit

Sales success is not just about individual capability—it's also about collaboration, alignment, and contribution to team culture. Look for signs of coachability, adaptability, and emotional intelligence during interviews.

3.2.5 Communicate Clearly and Promptly

A streamlined and respectful recruitment experience reflects positively on your brand. Keep candidates informed at each stage and provide feedback, even if they are not selected.

3.2.6 Plan a Strong Onboarding Experience

Once hired, provide structured onboarding that equips the new salesperson with the tools, training, and support to succeed quickly. Onboarding should cover product knowledge, systems, sales processes, company culture, and team integration.

3.3 Team Structuring and Role Clarity

Team structuring and role clarity are essential pillars of effective sales management, ensuring operational efficiency, collaboration, accountability, and strategic alignment. When done right, they lay the foundation for consistent performance and long-term organizational growth.

3.3.1 The Importance of Structuring a Sales Team

A well-structured sales team allows an organization to scale, serve customers more effectively, and respond agilely to market changes. Sales team structure refers to the way in which responsibilities, territories, customer segments, and tasks are divided among sales professionals. There is no one-size-fits-all model. It must be tailored to the company's size, industry, product complexity, and growth stage. Common sales structures include:

a. Geographic (Territory-Based) Structure – Reps are assigned to specific regions or locations. This is useful when local knowledge and presence are important.
b. Product-Based Structure – Teams are organized around product lines. This is effective when different products require specialized knowledge.
c. Customer/Account-Based Structure – Teams focus on specific customer types, such as SMEs, large enterprises, or government clients.
d. Functional Structure – The team is divided by function, such as lead generation (BDRs), closing (account executives), and retention (account managers or customer success reps).

3.3.2 Establishing Role Clarity: Defining Who Does What

Once the structure is established, the next critical step is to ensure role clarity, clearly defining each team member's duties, boundaries, and performance expectations. Role clarity enhances accountability, reduces internal conflict, and boosts productivity. Key elements of role clarity include:

a. Job Descriptions – Each role must have a well-documented set of responsibilities, KPIs, and reporting lines.
b. Defined Goals and Metrics – Whether it's revenue targets, customer acquisition, or retention, each rep must understand what success looks like.
c. Clear Boundaries – Avoid overlapping responsibilities between team members to reduce friction and confusion.
d. Ownership and Autonomy – Employees perform better when they know what they're responsible for and are empowered to take initiative within that scope.

3.3.3 Benefits of Team Structuring and Role Clarity

a. Improved Efficiency: Well-structured teams avoid duplication of efforts and make better use of time and resources.
b. Faster Decision Making: With clear reporting lines and defined responsibilities, decisions can be made quickly and confidently.
c. Higher Accountability: When roles and metrics are clearly defined, it is easier to hold team members accountable for performance.
d. Stronger Collaboration: Clarity fosters trust and cooperation among team members, especially when interdependencies are managed proactively.
e. Better Customer Experience: Customers receive consistent service and communication when everyone in the sales team knows their part in the process.

3.4 Leadership Styles in Sales Management

3.4.1 Transformational Leadership
Transformational leadership involves the engagement of team members and therefore transformational leaders are often charismatic. Accounts of transformational leaders differ, but most focus on how the leader can fulfil the development needs of their followers. In uncertain times, it has been suggested, employees want to feel inspired and empowered by their leaders, and therefore transformational leadership fits well with the modern age.

Features and Characteristics of Transformational Leadership
a. **Visionary:** Transformational leaders have a clear vision of what they want to achieve.
b. **Effective Communicators**: Transformational leaders are good communicators who articulate their vision effectively to their followers.
c. **Inspirational and Motivational**: Transformational leaders inspire and motivate others by providing a compelling future direction. They also create a positive and motivating environment.
d. **Forster Change**: Transformational leaders are change leaders or drivers.
e. **Empathetic:** Transformational leaders are empathetic and understand their followers' needs and concerns.
f. **Intellectual Stimulation**: They encourage creativity and innovative thinking, challenging the status quo and promoting new ideas.

Benefits of Transformational Leadership
a. Transformational leaders inspire their followers to go above and beyond, resulting in higher levels of motivation and commitment.
b. By setting high expectations and encouraging innovation, transformational leaders can drive their teams or organizations to achieve outstanding results.
c. Transformational leaders create a positive and supportive work environment that promotes collaboration, creativity, and a sense of purpose. They are known to create an all-inclusive work environment.
d. Transformational leaders are change leaders, they lead and drive change in organizations or societies.
e. Transformational leadership gives the ability to communicate new ideas.
f. It also creates room for happy employees who feel seen and valued, which breeds innovation and creativity in an organization.

3.4.2 Transactional Leadership
This is based on an exchange between leader and team member where the interests of both parties are served. The efforts made by followers to achieve organizational aims are exchanged for specific rewards, which may be financial or non-financial.

Features and Characteristics of Transactional Leadership
a. **Clearly Defined Expectations**: Transactional leaders establish clear expectations and ensure that everyone understands these expectations.

b. **Defined Contingent Rewards**: In line with the expectations, transactional leaders also provide well defined rewards and punishments to their subordinates based on meeting the set performance targets.
c. **Exchange Relationship**: This leadership style is based on an exchange relationship - a reward for good performance and punishment for poor performance.
d. **Monitoring Performance**: Transactional leaders closely monitor the performance of their teams and intervene when deviations occur to ensure compliance with established standards.
e. **Goal Oriented**: This type of leadership is focused on achieving goals.

Benefits of Transactional Leadership Style

a. **Clear expectations**: Transactional leaders set specific goals and performance standards, providing clarity to their followers about what is expected of them.
b. This leadership approach promotes efficiency and productivity by emphasizing adherence to established procedures and standards.
c. **Goal Achievement**: This leadership style is solely focused on achieving goals.
d. **Quick Decision-making**: Transactional leaders make decisions efficiently, relying on established protocols and systems.

3.4.3 Situational Leadership

As the name suggests, the situational leadership theory states that leaders need to be ready to adjust their style to suit the context. They saw the willingness and ability of subordinates to carry out the tasks allocated to them as the key factor in selecting the most appropriate leadership style.

Characteristics of Situational Leadership

a. **Flexibility:** Leaders adapt their approach based on each salesperson's experience, skill level, and motivation.
b. **Diagnostic Ability**: Managers assess the development level of team members to determine the appropriate leadership style (e.g., directing, coaching, supporting, or delegating).
c. **Tailored Support**: Sales leaders provide the right balance of direction and support based on individual needs.
d. **Empathy and Awareness**: Situational leaders are attuned to emotional, motivational, and capability shifts in team members.

Benefits of Situational Leadership

a. **Maximized Team Performance**: Each salesperson gets the leadership style that best supports their current ability and motivation, leading to improved results.
b. **Faster Skill Development:** Novice salespeople receive more guidance, while experienced reps get autonomy, accelerating overall team growth.
c. **Better Adaptation to Change:** Sales environments are dynamic. Situational leaders can pivot quickly and help their teams adjust to new goals, markets, or strategies
d. **Improved Retention:** Personalized leadership increases job satisfaction and reduces turnover.

3.4.4 Democratic Leadership Style

Democratic leadership, also commonly known as participative leadership, is a kind of leadership approach where the leader involves team members in the decision-making process, encouraging open communication, and seeking consensus on important matters.

In this approach, the leader values the input and ideas of team members and followers, empowering them to participate actively in shaping the organization's goals, strategies, and operations. Democratic leadership emphasizes collaboration and involvement from all team members.

Features and Characteristics of Democratic Leadership

a. **Inclusive Decision-Making**: Democratic leaders believe in the value of diverse perspectives and seek to involve team members in the decision-making process. They encourage open discussions, actively listen to ideas, and consider multiple viewpoints before making final decisions.
b. **Shared Vision and Goals**: In a democratic leadership style, leaders foster a shared vision and common goals by engaging team members in defining the organization's direction. This helps build a sense of ownership and commitment among team members.
c. **Supportive Communication**: Democratic leaders maintain open lines of communication with their team members. They actively seek feedback, provide regular updates, and ensure that everyone has access to the information necessary for their roles.
d. **Empowerment and Autonomy**: Team members under democratic leadership are empowered to take initiative, make decisions, and contribute to problem-solving. This autonomy increases motivation and promotes a sense of responsibility for the organization's success.
e. **Trust and Respect:** Democratic leaders cultivate an environment of trust and respect, valuing the contributions of each team member. This fosters a positive and collaborative work culture, where team members feel valued and encouraged to express their ideas.

Benefits of Democratic Leadership Style

a. **Higher Employee Engagement**: By involving employees in decision-making, democratic leadership increases their level of engagement and commitment to the organization's goals.
b. **Enhanced Creativity and Innovation**: The inclusive nature of this leadership style encourages team members to share their ideas freely, leading to greater creativity and innovative solutions.
c. **Improved Problem-Solving**: With diverse perspectives, democratic leaders can tap into the collective intelligence of the team to arrive at more comprehensive and effective solutions to challenges.
d. **Stronger Team Cohesion**: Team members feel valued and included under democratic leadership, which fosters a sense of camaraderie and cooperation among team members.

3.5 Engaging the Sales Team

Engaging the sales team is not merely a motivational tactic—it's a critical business strategy. A highly engaged sales team is more productive, innovative, and committed to achieving targets. They go beyond just meeting quotas; they build relationships, advocate for the brand, and contribute to a culture of performance and continuous improvement.

In engaging the sales team, consider the following factors.

3.5.1 Understanding the Drivers of Engagement

Sales engagement is a complex, emotional, and functional process that involves a salesperson's sense of purpose, autonomy, skill development, recognition, and a supportive team culture, requiring managers to understand and address these drivers.

3.5.2 Creating a Motivating Environment

To foster engagement, set clear, SMART goals, provide appropriate tools and resources, and maintain open communication. This creates a motivating environment that supports salespeople, boosts productivity, and builds a foundation for lasting engagement.

3.5.3 Recognizing and Rewarding Performance

Recognizing and rewarding performance is crucial for salespeople, and effective strategies include public praise, incentive programs, and non-monetary rewards. Timely and sincere recognition fosters a culture of appreciation and success.

3.5.4 Offering Growth and Development Opportunities

Offering growth and development opportunities for salespeople, such as sales training workshops, coaching programs, and career progression plans, is crucial for their future engagement and loyalty, fostering a positive work environment.

3.5.5 Empowering Autonomy and Ownership

Micromanagement can disengage salespeople, so managers should trust team decision-making, encourage innovation, give ownership of accounts, and empower employees to feel respected, boosting confidence and performance.

3.5.6 Listening and Acting on Feedback

Managers should encourage salespeople's engagement through regular surveys, transparent decision-making, and open discussions, ensuring their voices are heard and respected, thereby fostering deeper commitment.

3.5.7 Supporting Work-Life Balance

Promoting work-life balance and well-being in sales involves offering flexible hours, promoting mental health awareness, and monitoring workloads to maintain motivation and engagement.

3.6 Recap of Chapter

a. To build and lead effective sales teams, companies must recruit the right talent by clearly defining roles, sourcing strategically, and onboarding thoroughly.

b. Structuring teams appropriately and ensuring role clarity helps boost efficiency, accountability, and customer satisfaction.
c. Engaging salespeople through motivation, recognition, development opportunities, and work-life balance strengthens performance and loyalty.
d. Strong leadership and clear communication tailored to team needs are essential for driving results and maintaining a positive sales culture.

3.7 Exercises

a. How can sales managers effectively structure their sales teams to balance specialization and collaboration, ensuring both operational efficiency and customer satisfaction?
b. What role does autonomy play in engaging and motivating salespeople, and how can sales managers empower their teams without resorting to micromanagement?
c. How can different leadership styles (transformational, transactional, situational) be adapted to meet the diverse needs of a sales team, and what are the advantages and challenges of each?

IDENTIFYING SALES KPIS AND METRICS TO MEASURE SUCCESS

4.0 Learning Outcome

By the end of the chapter, you will be able to:

a. Understand What Key Performance Indicators and Metrics Are
b. Identify and Select Relevant Sales KPIs and Metrics
c. Evaluate The Effectiveness of Sales Strategies Using KPIs and Metrics

4.1 Introduction

There is a significant difference between sales metrics and sales KPIs. Sales metrics are data points that represent the performance of an organization, individual, or team. Sales KPIs are specific sales metrics that are connected to your organization's priorities, objectives, and goals.

It is not necessary to track every sales KPI. It is, however, vital to track the right ones. Below are ten important sales process KPIs you should be tracking on your field and remote sales team(s).

4.2 Setting Realistic Sales Targets

4.2.1 Applying the SMART Goal Framework

At the core of effective goal-setting is the SMART framework, ensuring goals are Specific, Measurable, Achievable, Relevant, and Time-bound.

a. Specific goals define what is expected clearly and unambiguously. Instead of setting a vague goal like "increase sales," a SMART goal would state, "increase monthly sales of a particular Product by 15% by the end of the second quarter."
b. Measurable goals ensure that there are clear metrics for success, allowing for accurate tracking and evaluation.
c. Achievable goals are grounded in reality; they consider past performance, resources, and market conditions, avoiding overambitious targets that can frustrate teams.
d. Relevance ensures that goals align with broader business strategies and objectives.
e. Time-bound gives the goals urgency and a clear endpoint for assessment.

4.2.2 Analyzing Past Performance

Analyzing past sales performance is a crucial first step in establishing reasonable sales targets. Historical data provides a starting point by revealing what has been possible in comparable circumstances. Finding patterns, including seasonal variations or year-over-year increase, is made easier by examining trends in monthly or quarterly sales data. More accurate estimates can be made by knowing which team members, sales areas, or items have historically performed well or poorly. Setting a 25% growth objective without obvious strategic adjustments may be unattainable, for example, if a team routinely increases revenue by 10% per quarter. Analyzing client acquisition expenses, sales cycle durations, and win/loss ratios can also highlight operational efficiencies or bottlenecks that affect what is actually possible.

4.2.3 Considering Current Market Conditions

Although historical performance offers background, it needs to be weighed against an outlook on the state of the market. Sales potential can be greatly impacted by external factors like market conditions, industry trends, changes in consumer behavior, and competition dynamics. Customers may be more price-sensitive during a recession, for instance, which could lower average transaction sizes or delay the sales cycle. On the other hand, rapid expansion might be feasible during a market expansion or the introduction of a novel product. Additional factors to take into account include improvements in regulations, new competitors in the market, and technological advancements that may present risks or present possibilities. Understanding these outside realities and adjusting as necessary are reflected in realistic goals.

4.2.4 Aligning Goals with Internal Capacity and Resources

Realistic sales targets are mostly determined by internal resources. It is critical to evaluate the sales team's ability, expertise, and resources in order to fulfill the goals. This include assessing headcount, sales staff motivation and experience, marketing support available, and the effectiveness of the CRM or sales enablement solutions being used. For example, ramp-up time should be taken into account if a team recently onboarded a number of new sales representatives. Similarly, significant modifications to the product or service, inventory, or supply chain constraints must be taken into consideration. Ignoring these internal limitations can result in objectives that make sense in theory but are practically impossible to accomplish.

4.2.5 Monitoring Progress and Adjusting When Necessary

Sales targets shouldn't be set in stone. To make sure the team stays on course and to determine when changes are required, regular monitoring is crucial. Establishing a weekly or monthly check-in schedule keeps the team on track and enables leaders to take early action if performance veers off course. Key performance indicators (KPIs) and sales dashboards provide real-time insight into advancement. More crucially, this observation needs to be combined with an openness to change. Goals should be recalculated if market conditions drastically change, such as during a recession, supply chain interruption, or the loss of a significant client. This adaptability guarantees that objectives stay applicable and reachable, preserving team spirit and organizational legitimacy.

4.3.6 Involving the Sales Team in the Goal-Setting Process

Involving salespeople in goal-setting encourages accountability, dedication, and ownership. Frontline salespeople frequently possess knowledge of consumer behavior, industry trends, and operational difficulties that upper management might not be able to see. In addition to making the targets more accurate, asking for their opinions boosts team morale since everyone feels appreciated and acknowledged. Setting goals together promotes buy-in and can help identify possible obstacles before they become serious. It also creates opportunity for professional growth, coaching, and coordinating individual goals with those of the company. A driven and involved sales force is more likely to tenaciously pursue and surpass reasonable objectives.

4.4 Some Sales KPIs and Metrics to Measure Success

4.41 Monthly Sales Growth

This sales KPI measures the increase or decrease in your sales revenue every month. Monitoring sales growth from month to month helps modern sales leaders see and act on sales revenue trends as they are happening rather than relying only on reflective reporting to see what happened. Setting attainable sales revenue goals both on an individual and team basis can inspire performance and keep sales efforts aligned.

4.4.2 Average Profit Margin

This KPI helps the sales team assess the profit margins across their suite of products and services. This is especially important for your organization as you offer your clients diverse insurance products and services.

4.4.3 Sales Opportunities

This organizational sales KPI allows sales teams to see all pending opportunities as well as to determine which opportunities are perhaps most worth their resources in pursuing. This KPI organizes prospects based on opportunity value and the probability of a closed deal. Each prospect has an estimated purchase value associated with them to help your team prioritize their efforts. Sales prospects can be ranked according to the likelihood of a win, assuming the sales team has collected enough data from their current customer base to have an understanding of what makes for a probable close.

4.4.4 Sales Target

This sales KPI compares sales wins over periods of time and can serve as a way to rally sales teams to improve their performance. With this KPI, however, it's important to create a sustainable framework. Sales teams that are constantly pressured to attain the unattainable are often on the perfect path to burnout. Using this KPI to look at previous performance and establish attainable future goals is the best use case.

4.4.5 Sales Closing Ratio

This KPI finds the ratio between how many quotes your sales team sent out and how many deals they closed. It is a great KPI for determining how much time a sales employee (or the overall team) spends pursuing an opportunity. A high Sales Closing Ratio signals that either the leads coming in are not quality leads and/or that the sales team is spending far too much time trying to close each deal.

4.4.6 Average Purchase Value

This measures the average value of each sale and therefore helps the sales team place a quantifiable value on each potential opportunity. This sales KPI, in conjunction with other metrics associated with pricing models, is how a sales team can estimate the true dollar value of each lead.

4.4.7 Monthly Calls (or emails) Per Sales Rep

For outbound teams, this sales KPI can provide a glimpse into how many calls (or emails, etc.) each sales rep made to potential customers. This KPI can be further broken down into whether the call was answered (the email opened), the time spent on each call, the general interest level, and how many potential prospects were discovered per number of calls/emails.

4.4.8 Sales Per Rep

This sales KPI allows sales leaders to see, on an employee level, how many sales were made per rep. This KPI can be helpful in establishing a sales baseline (and setting personal goals) and in determining the strengths and weaknesses of each rep. For example, some reps may take a longer time to close deals, but those they do close tend to stay customers longer.

For the sake of sustainability, it is important not to use the sales per rep KPI to create a culture that is first and foremost about competitively comparing each of your sales reps against each other.

4.4.9 Lead Engagement Activity Level

This KPI measures engagement by viewing and tracking a lead's behaviour. It should be a quantifiable number that distinguishes between engaged and disengaged leads. Examples of lead engagement include opening an email, filling out a form, or clicking on a link to review your digital content. The ability to measure lead engagement requires tools to track page views, time spent on a document, and clicks.

4.4.10 Total Sales Closed

Tracking the number of deals closed by each sales team member shows how well each salesperson performs with respect to their sales quotas. It also provides valuable insights into how effective their outreach is when used with other KPIs. For example, by comparing total sales closed with other metrics, such as call volume and email marketing, you can evaluate the effectiveness of each salesperson's activities.

4.5 Performance Monitoring Techniques

4.5.1 Key Performance Indicators (KPIs)

KPIs are measurable indicators that assist businesses in monitoring their progress toward predetermined goals. Metrics like monthly revenue, conversion rates, average deal size, number of leads generated, and sales cycle length are examples of KPIs used in sales performance monitoring. KPIs provide a straightforward, reliable method of assessing how well team and individual performance relates to strategic objectives. KPIs need to be routinely examined and in line with company goals in order to be effective. Managers can quickly identify underperforming areas and put remedial actions in place when they have a well-designed KPI framework.

4.5.2 Sales Dashboards

Sales dashboards give users instant access to performance data. They use charts, graphs, and indicators to compile and display data in an understandable manner. These dashboards, which include updates on sales pipeline status, win/loss ratios, quota achievement, and individual success, frequently take data straight from CRM systems. Dashboards are very helpful for rapidly identifying patterns and irregularities. Instead of waiting for quarterly or end-of-month reports, they enable sales managers and team members to respond immediately. Transparency and a performance-driven culture are promoted by an effective dashboard.

4.5.3 Customer Relationship Management (CRM) Systems

CRM platforms such as HubSpot or Salesforce are effective instruments for performance tracking. Emails, conversations, deals, meetings, and other interactions with a client or prospect are all tracked and compiled in one location. An individual's activity levels, follow-up consistency, and opportunity movement along the pipeline are all visible to managers. CRMs assist in making sure that salespeople are operating effectively and that no opportunities are missed. These technologies are essential for performance management since they also make forecasting, segmentation, and individualized coaching easier.

4.5.4 Customer Feedback and Satisfaction Metrics

One effective indirect performance indicator is keeping an eye on customer satisfaction. The quality of interactions and the value that sales and service teams provide are evaluated with the use of metrics such as Customer Satisfaction Score (CSAT), and Customer Effort Score (CES). Direct client chats or post-sale surveys can provide insight into how well needs were understood, whether expectations were fulfilled, and areas for improvement. This strategy integrates performance with customer outcomes, stressing service quality in addition to income growth.

4.6 Recap of Chapter

a. Key Performance Indicators (KPIs) and Metrics for measuring sales success provide valuable insights into a company's performance and help drive effective decision-making.
b. Defining clear objectives and aligning them with the overall business strategy is crucial in selecting the right KPIs and metrics that accurately reflect sales performance and contribute to organizational goals.
c. Sales KPIs should be specific, measurable, attainable, relevant, and time-bound (SMART), enabling organizations to track progress, identify areas of improvement, and celebrate successes.
d. Setting Realistic Sales Targets involves using the SMART framework, past performance data, market conditions, and internal capabilities to set achievable goals, while involving the sales team and staying flexible to adjust when necessary.
e. Performance Monitoring Techniques include using KPIs, dashboards, CRM systems, and customer feedback to track progress, identify issues early, and ensure alignment with business objectives.

4.7 Exercises

a. How can sales leaders determine which KPIs are most relevant to track for their specific team or organization, and what factors should be considered when selecting them?

b. In what ways can the SMART goal framework help prevent burnout in sales teams, and why is it important to ensure that sales targets are both challenging and achievable?

c. How can regular monitoring of sales performance using KPIs, dashboards, and CRM systems lead to better decision-making and quicker adjustments in sales strategies? What are some potential pitfalls of relying too heavily on these tools?

MANAGING THE SALES PIPELINES

5.0 Learning Outcome

By the end of the chapter, you will be able to:

a. Recognize the significance of effective sales pipeline management.
b. Develop an Effective Sales Pipeline
c. Identify the Stages of the Pipeline
d. Learn Practical Techniques for Implementing and Managing the Sales Pipeline

5.1 Introduction

A Sales Pipeline is an overview of your sales process that allows you and your team to understand, organize and control the sales process. With a pipeline, marketing teams and sales professionals can forecast revenue by identifying the stages where opportunities lie and predicting how many prospects will become customers during a defined timeframe.

Sales success is based on the time and effort you put into managing your sales pipeline. The better your work ethic, the better your results. Managing the sales pipeline is at the center of any sales organization's success. Good pipeline management builds confidence in the sales team by ensuring that deals close per forecast and risks are flagged and mitigated. Critical to any sales organization's success is managing and tracking opportunities from their earliest stages all the way to close.

A good definition of Pipeline Management is:

"The management and assessment of all sales opportunities as they progress through a multi-step sales cycle to a successful close."

a. A pipeline (or sales funnel) consists of multiple action steps that lead to the successful closing of revenue-producing contracts.
b. A pipeline consists of accounts within each step of the sales cycle that needs to be managed and assessed consistently.
c. A pipeline consists of forecasts for each account with expected close dates and probabilities of closing.
d. A pipeline is a management tool to review accounts with sales reps and sales managers and to provide pipeline visibility for all other departments of the company.

5.2 Pipeline Perspectives

Sales pipeline metrics are a key performance indicator in the health and viability of any sales organization and, ultimately, a business. What makes sales pipeline management in the channel challenging is that the health of each organization's pipeline is a reflection of their company's fiscal health, as well as the fiscal health of every partner in their value chain.

Pipeline Management includes the visibility and analysis of the opportunity pipeline for every sales manager and every sales representative. By adhering to a disciplined process of Pipeline

Management, the likelihood of meeting quota goes up dramatically. To this day, there are very few value propositions in business processes that have a greater impact than the revenue-producing impact of better pipeline management.

5.3 Building Pipelines

Management guru Peter Drucker once said, "*The purpose of business is to create and keep a customer.*" The meaning of this quote is often interpreted as a customer being created by a business making a product that he wants to buy. Making money is a derivative of the process of making great products. But making good products doesn't mean that a company will be successful. The euphemism "build it and they will come" rarely works in the business world. Building a business requires sales and marketing, and the result of those activities is the sales pipeline or the cumulative report of sales prospects and customer relationships.

The process of building a sales pipeline is often referred to as "*lead generation.*" Lead generation is expensive; it takes time, money, and effort, and no one activity will generate a qualified lead. In fact, it takes a consistent, recurring process to produce leads at varying levels of qualification.

The *Channel Vanguard Council* has determined that building a sales pipeline with qualified leads follows this general rule: 10X-10X-3X.

a. **10 cold calls** are required to produce a soft lead
b. **10 soft leads** are required to produce a prospect
c. **3 sales engagements** are required to turn a prospect into a business win
d. **3 business wins** are required to convert to one sales win

As you can see, this means an organization's sales and marketing team must reach out to hundreds of potential customers to achieve a handful of sales. Naturally, the actual scale of prospecting and lead generation activity will vary on the size of an organization, geographic sales and service area, and the density of the market opportunity. Smaller organizations, particularly smaller solution providers, won't necessarily have to undertake a massive lead generation program to achieve sales success. However, the ratios are relatively consistent across the entire channel community.

Pipeline building is often thought of as a "*hunter*" sales activity or the exercise of finding new customers. However, this same process applies to the side of sales known as "farmer" – the art of expanding the relationship with existing customers by introducing new products and services to the account or establishing a relationship with different divisions or teams within an existing account.

5.4 Pipeline Metrics

Effective pipeline management requires a set of metrics just like any business unit. The following metrics are important to successful pipeline management:

a. Conversion Ratios from step-to-step
b. Overall funnel Conversion Rate
c. Number of Days spent within each step

d. The overall length of the sales cycle (velocity through the funnel)
e. Average deal size within each step
f. Value Shortfall, and Number of accounts shortfall, within each step
g. Required Pipeline to meet forecast
h. Forecasting Accuracy

By measuring these metrics on a consistent basis, the entire sales organization will be better prepared to meet forecasts on a more consistent basis.

Another important metric is **Pipeline Trend**. Managing a corporate pipeline is a dynamic science, not a static one. Once the Model Funnel is known for a given sales rep, the team can strive each month to achieve that model. This requires weekly, monthly, or quarterly monitoring of the size, shape, and mix of the funnel. The growth of the pipeline is an important measure of a company's progress toward better forecasting accuracy.

A final metric for pipeline management is called **Pipeline Grading**. It is essential that each step have well-defined "*entry and exit criteria*" so that all managers and reps are on the same page. Typically, this would include 3-5 action items to be concluded before an account can advance to the next step. These action items should contain specific deliverables and be easily measured. There needs to be an agreement between the manager and the rep that all actions were completed before elevating the status of the account to the next step.

5.5 Stages of The Pipeline

If a sales pipeline is a business's main artery, cash, and credit generated by sales are its lifeblood. The ABCs of sales – Always Be Closing – is a nice adage, but the reality is that vendors and solution providers need a steady flow of sales activity and "*wins*" along multiple points of the sales pipeline. Otherwise, there might not be another opportunity to work on when the last deal closes as a sale.

Understanding how sales flow through each of these stages and how to measure the progression of prospects to closures is critical in proper pipeline management and ensuring a solution provider or vendor is processing enough sales activity to meet expenditure obligations and profitability expectations.

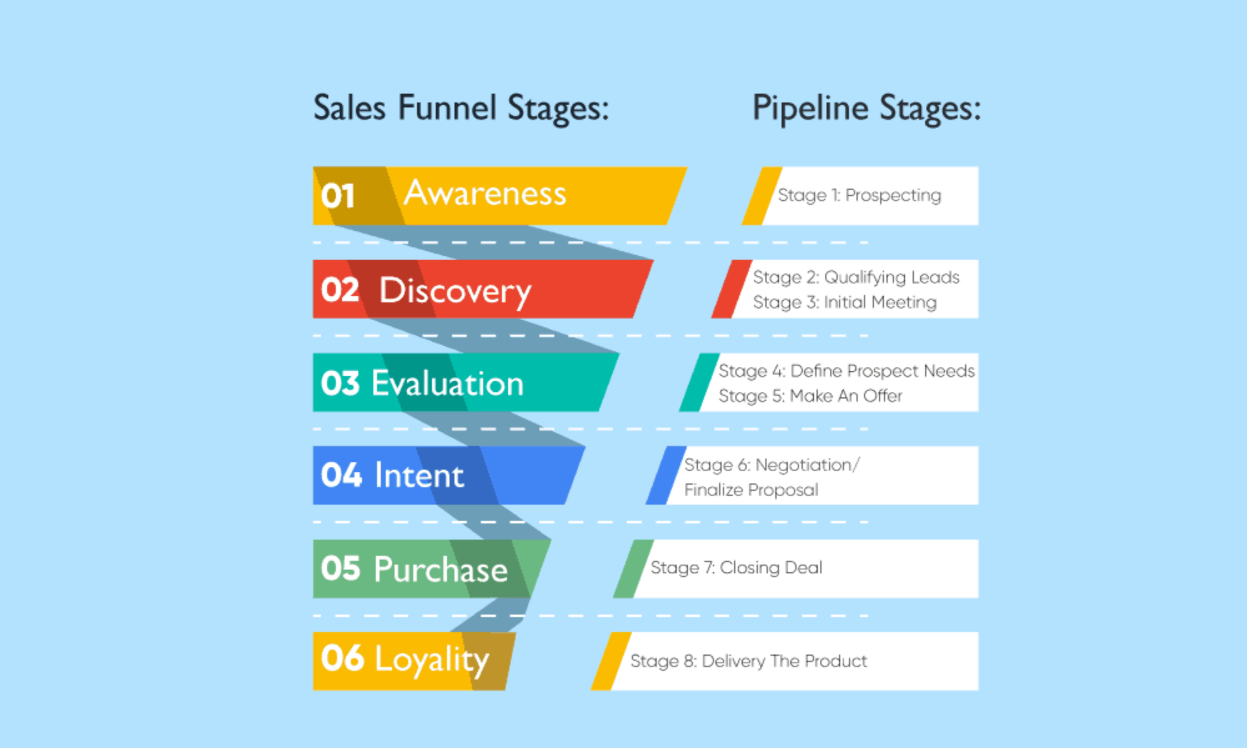

Figure 3: Stages in the Sales Pipeline

5.6 Implement Your Own Pipeline Management System

Once the principles of Pipeline Management are understood, a company can define its system. The following is a "*how to*" checklist of the various action steps needed to create a repeatable sales model.

5.6.1 Define Your Sales Process

Define the several steps of your sales process using definitive, end-point words for each step. As an example, rather than say "*Qualifying*" for a step, use the word Qualified. Using a participle like "*Qualifying*" or "*Evaluating*" implies an open-ended process with no definitive end point. Each step needs to have a defined endpoint, so that manager and rep can both decide it is time to move on to the next step. The number of steps can be anywhere from 4 steps to 12 steps, but it is important to note that everyone in the company may be viewing this information. Therefore, keeping step definitions memorable and concise will be a benefit to all departments.

5.6.2 Define your Action Items

Define the 3-5 action items necessary to close out each step to move on to the next step. The Exit criteria for Step 2 will be the Entry Criteria for Step 3. These action items need to be easily measurable, leaving no doubt in either the manager's or sales rep's mind that they have been achieved. Both manager and rep must be on the same page – in clear agreement - when deciding in which step an account belongs, and what must be done to move that account forward.

5.6.3 Define the Model Funnel

Define the Model Funnel for each of your sales reps, sales managers, and the entire company. This Model Funnel will define the number of accounts, potential, and probabilities of closing for each step of the sales process necessary to meet quota performance. It will also define the target number of days that will be required to complete each step in the sales cycle, the sum of which will equal the Total Sales Cycle for the business.

5.6.4 Measure Actual Pipeline vs. Model Funnel

This measurement will highlight which sales reps have an adequate pipeline and which ones have shortfalls in the pipeline. This will also highlight the nature of the pipeline for each sales rep, i.e. whether they have a top-loaded funnel or bottom-loaded funnel. One can also see which accounts slow-moving and which steps are tend to be bottlenecks in the sales process.

5.6.5 Define the Pipeline Reporting Structure

Define several reports that should be calculated every week. Examples of these reports should include Pipeline by Rep by Step, Pipeline vs. Model Funnel, Forecastable Pipeline by Rep by Step, etc. These reports can be done in Excel or by utilizing an opportunity management system that specializes in this area of management.

5.6.6 Communicate the Pipeline Reports

Communicate the Pipeline Reports to all departments. It is very important for all departments to have Visibility into the pipeline. Manufacturing needs it to better plan production. Finance needs it to better plan revenues and cash flows. Product development needs to understand what is selling and what is being requested well in advance of orders. The CEO and the board need it to understand the momentum of the business and to better communicate with the shareholders.

By creating an internal discipline for pipeline management, your company can find that elusive “repeatable sales model” that can be leveraged. A repeatable sales model will allow you to hire additional reps into your organization with the confident knowledge that once hired, they will produce X cedis of revenue for Y cedis of investment.

5.7 Recap of Chapter

a. A Sales Pipeline is an overview of your sales process that allows you and your team to understand, organize and control the sales process.
b. Sales success is based on the time and effort you put into managing your sales pipeline.
c. The pipeline stages include prospecting, qualifying leads, initial meeting, defining needs of prospects, making an offer, negotiation, closing a deal and product delivery.
d. In the implementation of pipelines, there is the need to focus on the importance of clear communication, cross-functional collaboration, and leveraging technology to streamline and automate processes, ultimately boosting efficiency and productivity.

5.8 Exercises

a. How can sales managers ensure that their sales teams maintain consistent pipeline metrics such as conversion rates and deal velocity while avoiding burnout from unrealistic expectations?

b. In the process of pipeline building, how can sales teams balance the need for "hunter" activities (new customer acquisition) with "farmer" activities (expanding relationships with existing customers) to create a well-rounded pipeline?

c. What role does cross-departmental collaboration (e.g., sales, marketing, finance, and manufacturing) play in effective pipeline management, and how can sharing pipeline data enhance overall company performance?

IMPLEMENTING SALES STRATEGIES

6.0 Learning Outcome

By the end of the chapter, you will be able to:

a. Appreciate the Importance of Sales Strategies in Achieving Business Goals
b. Identify Key Elements of Effective Sales Strategies
c. Learn Different Approaches to Implementing Sales Strategies

6.1 Introduction

Most strategies involve a detailed plan of best practices and processes set by management. The most important component of choosing and implementing your sales strategy is your customer. For this reason, a sales strategy shouldn't be one-size-fits-all. Every customer is different; therefore, different organizations should draw up and implement different strategies.

A sales strategy is a set of decisions, actions, and goals that informs your sales team. It positions the organization and its products or services to close new customers in order to drive business results. It acts as a guide for sales reps to follow with clear objectives regarding sales processes, product positioning, and competitive analysis.

6.2 Aligning Sales Strategies with Business Goals

6.2.1 Understanding Business Objectives

To align sales strategy, companies must understand their business goals, such as revenue growth, market share expansion, profitability improvement, customer retention, product innovation, and entering new markets. Sales leaders should engage executive leadership to translate broad objectives into actionable sales initiatives.

6.2.2 Translating Goals into Sales Tactics

To achieve business goals, break them down into tactical sales strategies, identifying target markets, customer profiles, product focus, pricing models, and go-to-market plans. Prioritize and resource sales strategies based on their impact on business goals, ensuring sales execution is driven by strategy rather than random or reactive methods.

6.2.3 Aligning Sales Structure and Roles

An effective sales strategy requires a sales structure that aligns with strategic objectives. This involves organizing sales teams based on customer segments, geographies, industries, or product lines. Clear roles and responsibilities ensure everyone understands their work supports business objectives, facilitates resource allocation, and reduces duplication.

6.2.4 Leveraging Technology and Data

Modern sales organizations rely on data to align their strategies, enabling insights into customer segment focus, growth, and strategy refinement. Technology improves visibility and enables agile decision-making, allowing quick adjustments or replacement of unproductive tactics.

6.2.5 Continuous Review and Adaptation

Business goals evolve due to internal growth, market dynamics, and competitive pressure. As such, alignment must be continuously monitored and updated. Quarterly business reviews (QBRs), sales planning sessions, and feedback loops between leadership and frontline teams ensure that sales strategies remain current and relevant.

6.3 Sales Strategies to Adopt/Implement

6.3.1 Consider Customers' Business Drivers

To develop a robust strategy for generating fresh leads, shape your marketing communications around customers' business drivers. Conduct qualitative research into their key challenges, then communicate how your company is uniquely suited to overcome those challenges. Business leaders must be highly responsive to their customers' current objectives to sustain their position in the market and drive growth.

6.3.2 Properly Research and Qualify Prospects

Even the strongest sales strategy can't compensate for targeting the wrong customers. To ensure your team is selling to the right type of customer, encourage them to research and qualify prospects before attempting to discuss your product. They'll find that more work on the front end can lead to smoother closing conversations later on. Outline the criteria a prospect should meet to qualify them as a high-probability potential customer. This should be based on a prospect's engagement history and demographics.

6.3.3 Sell on Purpose

We should know both what to do and why we are doing it at every step. Who are we focusing on and why? What are we going to tell them and why? What are we going to ask them and why? What is our proposal going to look like? If we don't feel sure of ourselves at every step of the selling of any product then we have to get some training or guidance or product knowledge.

6.3.4 Have A Unique Value Proposition

A unique proposition that is in demand is essential. If you offer a perfect service or product and there are lots of other companies that do the same and at the same quality, it is not that easy to boost your sales. But when you give real value to your clients, you win their loyalty.

6.3.5 Have Consistent Marketing Strategies

Business does not always boom! Get consistent marketing strategies in place with a professional team and/or learn to do it yourself when business is slow. For example, make your own sales videos; you will develop your company style of branding that will be organic, or write and get it published. We have more free advantages at our fingertips than any other business owner in history!

6.3.6 Provide a Personalized, Clear End Result

When customers come to your business, they aren't necessarily looking for a product or service, they're looking for their desired result. These customers want to purchase a means to improve their operation, or simply improve their strategies with the help of your offering. After you explain your product or service offering, you have to personalize the benefits to each client in a way that's valuable to them. By painting a clear picture of the result, your customer will be able to see the value of the purchase and feel more inclined to accept the offer.

6.3.7 Close Deals with Confidence

How you close a sale is just as important as how you start the conversation. Encourage clear, concise, and firm closing techniques to ensure your sales team sets the right expectations and delivers on its promises. Keeping a list of proven, go-to closing techniques will help salespeople routinely win deals. Such techniques can include the now or never close, "*If you commit now, I can get you a 20% discount,*" or the question close, "*In your opinion, does what I am offering to solve your problem?*"

6.3.8 Upsell an Additional Service

Upsell an additional service to your clients. For example, when the organization realizes that clients have a need for a particular product or service, an email marketing initiative can be taken to create awareness about the policy and increase patronage.

6.3.9 Increase Online Sales through Social Media

Social media is one of the most popular ways that people consume information these days. That's why nine out of ten retail businesses are active on at least two social platforms. With the data on your side, increasing online sales through social media is attainable with some creative thinking and strategic planning. Keep in mind that your tone and voice may need to adjust to the platform so that you can connect with your audience. You'll want your content to blend in naturally with the platform and not seem out of place.

6.3.10 Focus on Existing Customers

Be proactive in reaching out on a regular basis, even just to check up and ask how they are doing personally and professionally. Also, try to add value to your services. Lastly, do not be afraid to ask if they know anyone who needs your services, and make the referral process super easy.

6.4 Territory Design and Planning

The act of creating geographic areas and allocating a list of accounts to every sales representative is known as territory planning. To ensure that sales representatives can successfully pursue new business possibilities while fostering current client connections, the sales force should be distributed evenly across target market areas. More individualized and productive customer contacts are made possible by this segmentation, which enables targeted sales efforts and resources in particular regions. Equitable sales area distribution among sales representatives and matching sales resources with the best possible market prospects are the two main objectives of sales territory planning.

Achieving organizational growth and guaranteeing that every member of the sales team can participate to the fullest extent possible depend on this alignment. Effective territory planning for sales reps also involves a dynamic approach where territories are regularly reviewed and adjusted based on performance data, market changes, and strategic shifts in business objectives. By implementing a well-designed territory planning process, companies can create a structured and proactive environment for their sales teams that leads to better

6.4.1 Strategies for Territory Planning

To stay ahead of the competition, the application of advanced territory planning strategies is crucial. These innovative approaches not only refine the territory planning process but also significantly improve the performance of sales teams. By integrating these strategies, organizations can ensure that their sales efforts are both efficient and effective, leading to better sales results and business growth.

a. Conduct a Thorough Market Analysis

Before drawing territory boundaries, it is essential to understand the full scope of the market. Analyze factors such as customer density, purchasing patterns, industry trends, and competitor presence. This data-driven approach allows managers to identify high-potential areas, underserved markets, and customer segments that align with the organization's goals.

b. Segment Customers and Prospects

Not all customers offer the same value. By segmenting clients based on size, potential, buying behavior, or strategic importance, sales managers can prioritize efforts and tailor approaches for different segments. This helps in assigning the right level of attention to each customer group and ensures that high-value clients receive the necessary support.

c. Define Clear and Balanced Territory Boundaries

Territory boundaries should be clearly defined to avoid overlaps, internal competition, or customer neglect. Consider geography, industry, account types, and logistical feasibility when defining territories. Aim for a balanced workload among team members based on territory potential, not just size or volume.

d. Align Territories with Sales Goals

Each territory should have specific, measurable objectives that align with broader business goals. These may include revenue targets, number of new accounts, or product penetration rates. Aligning goals by territory ensures that sales reps focus on the right activities and that performance can be tracked meaningfully.

e. Allocate Resources Strategically

Ensure that each territory is supported with the right mix of personnel, budget, and tools. High-potential territories may require more experienced salespeople, additional marketing support, or greater travel allowances. Conversely, emerging or low-density areas may be assigned to newer reps as growth opportunities.

f. Monitor and Adjust Regularly

Territory planning is not a one-time task—it requires continuous evaluation. Regularly review performance data to determine what's working and what's not. Be prepared to reassign accounts, rebalance workloads, or restructure territories as market conditions evolve.

g. Foster Ownership and Accountability

Involve sales reps in the planning process to gain their insights and foster commitment. When reps understand the rationale behind territory design and feel a sense of ownership, they are more likely to take initiative and be accountable for their performance.

h. Leverage Technology

Sales management tools such as CRM systems, GIS mapping software, and analytics dashboards can significantly enhance the territory planning process. These tools help in visualizing coverage, tracking KPIs, and forecasting trends.

6.5 Recap of Chapter

a. A sales strategy is a set of decisions, actions, and goals that informs your sales team and positions the organization and its products or services to close new customers in order to drive business results.
b. To ensure your team is selling to the right type of customer, encourage them to research and qualify prospects before attempting to discuss your product.
c. It is essential to be proactive in reaching out on a regular basis to clients, even just to check up and ask how they are doing personally and professionally.
d. To align sales strategies with business goals, organizations must clearly understand their objectives and translate them into actionable tactics, supported by structured teams, data-driven insights, and continuous adaptation to ensure execution aligns with evolving business priorities.
e. Sales territory planning involves defining customer groupings using control units, mapping potential, and designing fair, balanced, and strategically aligned territories to ensure efficient coverage, controlled costs, motivated sales teams, and coordinated selling efforts.

6.6 Exercises

a. How can understanding a customer's business drivers help shape a more effective sales strategy?
b. Discuss how tailoring your sales approach to align with the customer’s unique challenges can improve the sales process and increase conversion rates.
c. Explore how leveraging social media platforms can impact sales, and what considerations should be made when crafting social media campaigns.

EFFECTIVE COMMUNICATION

7.0 Learning Outcome

By the end of this chapter, you will be able to:

a. Comprehend the Concept of Effective Communication
b. Effectively Communicate Verbally and Non-Verbally
c. Develop Your Ideal Communication Model
d. Enhance Communication Skills During Sales Meetings

7.1 Introduction

Good communications are a major source of motivation within a sales team and bad communications are a major source of complaint, leaving open the opportunity for poor performance to be argued as the result of not knowing about something.

Communication is very key to the survival of every relationship. Relationships between individuals thrive on the common goal of each person understanding the other. This same concept applies in every organization as well as the sales department or among sales team members. Sales communication among the sales team usually occurs between:

a. A sales manager and salesperson
b. Salesperson and customers (whether key accounts or smaller customer accounts)
c. Head office managers and field sales managers.

In the sales environment, a variety of **means of communicating** is commonly used within the communication chains. Communication as a sales manager can be defined as the passing of meaningful messages between Sales managers and salespersons. Thus, both salespersons and sales managers **send messages and receive messages**, when they interact, whether face-to-face or through various channels.

7.2 What and How to Communicate

7.2.1 What to Communicate

As the sales manager, you have the choice of what to communicate and you should avoid overburdening your team with too much information or with too many requests for information.

It is also important to prioritize requests for action, otherwise, the salesperson will set his priorities, which may not match yours and will normally result in easier requests or actions being undertaken first. In considering **what** to communicate to the sales team you should clarify to yourself whether the content of the communication is essential or optional to the management of the sales operation. The following is a classification of some essential and optional information to be communicated to sales executives and subordinates.

a. Essential Information

A range of information that both sales managers and salespersons would consider essential includes:

i. Everything the salesperson needs to know to perform basic job functions (e.g. product information, pricing, promotions, etc.)

ii. Everything that impacts the sales team's ability to comply with procedures or implement programs (e.g., instructions on administrative procedures or directives from a regulator)
iii. Anything that affects their ability to perform responsibilities and duties (e.g., information on key account policy approvals, promotional activity, details of marketing programs or initiatives, etc.)
iv. Information that provides feedback and measurement against standards of performance, forecasts, targets, goals, and objectives (e.g., detailed monthly performance feedback and daily activity reports).

b. Optional Information

The range of optional information that could be provided (possibly on a 'need to know basis) to members of a sales team is extensive, including anything that:

i. Adds to the salesperson's understanding of the company and its operations, or its results and achievements (e.g., financial accounts, market share data, product pricing data for account managers, developments in other markets)
ii. Improves the salesperson's understanding of the marketplace (e.g., company and competitive brand rankings and sector shares, data on distribution channels, and key account developments)
iii. Provides a source of training and personal development (e.g., on the use of technology in the company, tips on selling, subscriptions to relevant journals, etc.).

Communications should be restricted or limited where premature communication could be disruptive or lead to activity that might impact negatively on the subject of the communication (e.g., with new product launches, promotions, acquisitions, and mergers).

7.2.2 How to Communicate

Sales Managers know that their company runs on the foundational principle of relationship building. A company's brand image, its reach, and its popularity might all contribute to getting a customer interested in its products, but when a customer goes for a purchase, he needs a person to interact with him. If this person does not behave cordially and professionally with him, then the entire objective behind the sale is lost. This is the reason successful managers give a near-autonomy to all their salespeople they realize that they are the face of the company, and all progress depends on them.

Sales Managers in their capacity must know how to communicate effectively with top and lower-level staff to get results. Timely updates, reports, reviews of work, feedback, and motivation messages are a few of the many communications sales managers give to a diverse group of people. The following outlines the best approach to get the best when communicating as a manager of sales teams.

Communicating in a way that gets you the best result should always be the option to be used as a manager. The ability of an individual to manage Empathetic Communication is key to delivering on key performance indicators. **Empathetic Communication** can be defined as, "*The art of having a frank discussion while keeping care of the listeners' emotions, personal experiences, and respecting a different point of view*". It is one of the first styles that a Sales Manager must implement in his professional life, as it is really helpful in jobs where one has to confidently transmit his ideas to his clients or teammates.

A good example of a Sales Manager having some empathetic communication with his team under a high-pressure sales scenario is: "*I understand that it is tough to get customers interested in funeral insurance, particularly at this time of the year, however, we need to identify people who are looking for our services. I don't think it is possible that there is no one who won't benefit from the insurance*".

When Sales Managers become too strict and demanding in their communication, there are chances they will end up either losing or spoiling a potentially good performer. The skill lies in being an empathetic communicator. Empathetic communicators practice a high level of transparency and authenticity. They can strongly convey their messages with simplicity and clarity and that is the reason people immediately connect with them.

According to the theory of communication skills, being assertive is a feeling in which you can respect yourself and others also. A Sales Manager has to be assertive all the time while dealing with the sales teams, clients, and with management. Depending on the managerial styles of different people or for the same Sales Manager making a change from one process to work in another, there are five kinds of communication styles, which include:

a. Assertive Communication Style
b. Aggressive Communication Style
c. Passive-aggressive Communication Style
d. Submissive Communication Style
e. Manipulative Communication Style

7.2.3 The Ideal Communication Model

How Should a Sales Manager Communicate? A good communicator should know the positives and shortcomings of various styles of communication. It helps them learn how to react most conveniently when they confront or are faced with a tricky situation. It assists them in finding an alternative type of communication style for different conditions. It is always advisable to have an assertive attitude, however, sometimes it is okay to have a submissive style of communication when talking to seniors, higher management, or under any physical threat. In such scenarios, the motto to follow is: "*Bosses and Might are always right*".

a. Modes for Communicating

Common communication media are:

i. Face-to-face meetings (team meetings or one-to-one meetings) written or illustrative reports and documents
ii. Computers (direct computer links or via modems using telephone lines, etc.)
iii. Telephones
iv. Audio or video

In most organizations, the main means of communication are still through memoranda, bulletins, sales meetings, and telephone, and also during field accompaniment of salespersons. However, there is very rapid growth in computerization within field sales teams.

From a practical perspective the sales manager should be concerned with:

i. Who communicates with the sales force?
ii. The frequency of communications
iii. The content of communications

iv. How information should be presented in sales bulletins, i.e. the structure.

7.3 How to Structure Sales Bulletins

Before drafting a sales bulletin or memorandum the sales manager should clarify in his mind what he wants to communicate and the purpose of the communication.

a. *Group Items with A Common Purpose Together in A Section*: All instructions or action points, or all performance feedback and recognition points, can be grouped in separate identifiable sections.
b. *Clearly Identify the Sections*: Sections in bulletins, or types of memoranda, might be color-coded, e.g., red for action and green for information.
c. *Prioritize Items for Action Within Each Section*: Where appropriate, list action points in a sequence representing the order in which action should be taken.
d. *Give Clear Guidelines On When Action Should Be Taken Or Information Submitted*: Ensure the recipient is clear on the nature of action to be taken. Normally sales managers should monitor and control that action is taken, such as by asking for confirmation that data has been supplied to the office, or that customers have been contacted on promotions, etc. In some cases, a summary checklist attached to the sales bulletin will help the salesperson check he has read and actioned points.
e. *Provide An Overview Summary of Main Activity*: This might include promotions, media, and major customer activity.

It should not be assumed that receipt of communication ensures reading and action. The preciseness and conciseness and other motivation factors to encourage reading shall be key to ensuring sales team members read the message with intent and hence get the understanding required.

7.4 Audio, Visual and Other Interactive Communications

While written and direct personal communications (including on the telephone) are still the most common communication means used in sales forces, some companies with specialist products and services have developed sophisticated communications using audio, video, and computer-based communications.

These can be developed with clients as a way of standardizing presentations and demonstrating aspects of products hard to communicate effectively using traditional sales presentations and sales literature. Sales managers should know the benefits of communicating through a variety of media to keep interested, involvement, and motivation, higher within sales teams. The advent of WhatsApp, group platforms, and other informal communication systems makes keeping in touch with the sales team easier and more interactive. Communication through new technology platforms is usually real-time and this allows the right information to be disseminated as and when needed.

Audio, Video, and other Interactive communication can supplement telephone contact where there is no need for complicated data to be communicated, or to accompany a sales bulletin. They are useful to motivate and communicate broad activity guidelines. They are particularly useful where direct personal field contact with line managers is lower than desirable. New interactive with audio and video support platforms like WhatsApp, Facebook, and studio-recorded audio on product description and presentation structure can be created and disseminated to sales subordinates to support them in delivering results. Other platforms that support interactive audio like WhatsApp can also be used to provide real-time feedback on issues to enhance sales executive–client relationships.

The modern sales manager needs training and experience in the use of new technologies that enable him to communicate effectively with his team. Recent statistics reveal that the most effective way of maintaining contact and controlling field operations is through modern technologies like collaborative, communicative, and Cloud-based monitoring platforms.

It enhances activities like sales communication, data transfer, customer account management, and field sales reporting. There are even custom-made packages for executing sales communication, data transfer, customer account management, and field sales reporting. IT interactive support systems are generally used by major corporations.

This greatly reduces the need for paperwork and can reduce the time a sales team must allocate to paperwork processes and reporting, with a resultant cost benefit. Everything from customer records through pre-agreeing call objectives and optimizing journey planning right through to sales reporting and performance monitoring can be managed with the use of computers and other devices and platforms.

7.5 Communication in a Sales Meeting

Sales meetings are usually organized periodically, often monthly, amongst a group of salespersons with common interests or issues to address, e.g. key account managers, sales managers, and territory salespersons, under the chairmanship of their line manager. Meetings are often planned to address:

a. Performance feedback, particularly deviations from plans.
b. Product information (range, packaging, advertising, etc.).
c. Sales promotional activity
d. Sales targeting
e. Salesforce procedures and operational matters
f. Sales skill training.

Sales conferences normally draw together all the various sections of the sales and marketing team, at a national gathering, often only once per year. Often conferences are designed to communicate more momentous developments than might be covered at local sales meetings and provide a sense of focus and direction for a longer period, such as the next year.

7.5.1 Sales Meeting Organization

If a sales meeting is to achieve its objectives and to enhance the sales manager's reputation as a professional within his or her sales team it is essential that it be planned thoroughly. The main complaints of salespersons about meetings are usually that:

a. they take too long
b. subject coverage is repetitive
c. they don't seem to achieve anything

d. too much time is wasted on parochial (individual) issues not relevant to all the attendees.

The sales manager must avoid these criticisms within his or her team and can do this by thorough meeting planning and preparation, addressing each of the following points.

7.5.2 Conducting Sales Meetings

A sales meeting should be treated like a sales presentation, with the objectives of:

a. Gaining and retaining attention
b. Creating interest in the subject matter
c. Generating desire in the attendees to implement the content of the meeting in everyday work practices
d. Provoking appropriate action from the participants.

The sales meeting might make use of several formats, as listed in the following table, depending on its purpose and objectives.

Format	Purpose
Presentations	On subjects of interest to the whole group
Group Discussions	Related to the objectives, theme, or content of the meeting
Planning Sessions	Groups can turn general plans into special area or territory plans
Role-playing	New techniques or skills can be practiced by the group
Case Studies	An individual or team development exercise at meetings related not just to sales and marketing matters but general management situations
Presentations by meeting attendees	Attendees should be encouraged to make presentations on special subjects or areas of expertise as a development and team-building exercise

Table 2: Training Formats

7.5.3 Chairing the Sales Meeting

Chairing is the act of presiding over the affairs of an activity or an event. The sales meeting provides a very good platform to assess the performance and rate activities of various individuals in the sales team. How the leader chairs the meeting go a long way to improve communication as well as encourage contribution which ends in a motivated sales force that meets targets. The meeting should be structured and made to follow a laid down procedure. The following are ways a sales manager can effectively manage a meeting or conference of sales personnel.

At the beginning of a sales meeting the sales manager leading the meeting should do the following:

a. Introduce the topics clearly and definitively
b. Define the purpose and objectives of the meeting
c. Limit the scope of the meeting and questions to matters which can be covered within the period
d. Set the guidelines on rules and procedures for the meeting
e. Work to develop positive and receptive attitudes in the attending salespersons.

The sales manager, acting as the chairperson, should, in a participatory sales meeting:

a. Obtain views and opinions from participants.
b. Gather information on the nature and strength of feelings on issues discussed.

c. Get a reaction on the subject matter, discussion points, and proposals.
d. Develop the discussion so that it leads to the desired conclusion, action, or acceptance of ideas and proposals.
e. Produce the intended modification of attitudes, opinions, behavior, activities, action, or techniques
f. Demonstrate a neutrality or impartiality which earns the respect and cooperation of the group in the meeting
g. Encourage salesperson participation and involvement to retain attention and interest, drawing in people with a contribution to make.

The sales manager must remain in control of the meeting while involving each member of the team as appropriate. He must work to gain acceptance of ideas and a commitment to the programmes introduced, communicating the benefits of change in a way the team understands and accepts.

7.6 Recap of Chapter

a. When communicating, it is essential to consider both what we say and how we say it. The choice of words, tone of voice, and body language all contribute to effective communication.
b. Audiovisual and interactive communication tools, such as presentations, videos, and interactive platforms, can significantly enhance the impact and engagement of your messages.
c. A good communicator should know the positives and shortcomings of various styles of communication. This helps them learn how to react most conveniently when they confront or are faced with a tricky situation.
d. Communication in sales meetings should be focused, purposeful, and well-prepared. It involves active listening, effective questioning, and concise responses to ensure productive discussions and successful outcomes.

7.7 Exercises

a. How does a sales manager’s communication style impact team performance and morale?
b. What are the key barriers to effective communication within sales teams, and how can they be overcome?
c. How can sales managers ensure their communication remains clear, consistent, and aligned with strategic goals especially during sales meetings?

TRAINING, AND COACHING SALES TEAM

8.0 Learning Outcome

By the end of this chapter, you will be able to:

a. Identify Key Components Of Effective Sales Team Training
b. Understand the Importance of Continuous Learning and Skill Development for Sales Team
c. Adopt and Implement Effective Coaching Techniques

8.1 Introduction

Without adequate sales training, your team will flounder, and business growth can become stagnant. This can turn into a domino effect as the more experienced members fall into a slump and newer members will not be exposed to quality leadership. One of the best ways to keep new and seasoned talent sharp is by making it a point to have training repeatedly. By doing so, your team will learn from past victories or failures while they are fresh.

8.2 Points to Consider in Training Sales Team

8.2.1 Start with the Basics

Some skills transcend industry, product, or sales methodology. Ensuring that your sales team is well-versed in the basic foundations of successful selling is something many managers overlook, as are the practicalities of simply navigating the tools and systems your salespeople are expected to use.

8.2.2 Get Out in The Field

Training simulations are critical for employees, but to make sure they are engaging, skip the artificial role-playing people dread. Instead, get your team out in real-life situations in a semi-safe environment. Go to the field. If you are in enterprise sales, call a large corporation. Get out in the field for the best, most useful sales training.

8.2.3 Make It Personal

Personalize their training with one-on-one mock scenarios. This reduces the stage fright associated with doing mock calls and demos in front of unfamiliar peers. Having private, instant feedback built within the training process helps establish open communication and allows the manager to be a coach instead of a detached authority figure.

8.2.4 Make Training Consistent

If you want to keep the sales team marching to the beat of the same drum, you need to make sure that the guidance from sales leadership is both consistent and frequent. Make sure there is a monthly (or weekly) meeting to review the pipeline, success stories, and new developments. Codify all of the expectations and procedures so that the next salesperson is learning things the right way.

8.2.5 Adopt A Mentor/Mentee System

Webinars, conferences, and manuals all have their place in training. However, when it comes to communication, experience is what matters. If your salespeople do not feel comfortable diving in headfirst, using a mentor/mentee system would be the best way to train new employees.

8.3 Sales Coaching

Sales managers invest in sales coaching to maximize sales rep performance and empower reps to positively impact the greater sales organization. The sales coaching process is designed so every rep is supported and equipped to effectively reach their personal quota as well as the team's quota and goals.

CSO Insights defines Sales Coaching as:

"…. *a leadership skill that develops each salesperson's full potential. Sales managers use their domain expertise along with social, communication, and questioning skills to facilitate conversations with their team members that allow them to discover areas for improvement and possibilities to break through to new levels of success*."

Adopting effective sales coaching activities and techniques helps teams move towards more self-motivated behavior because it meets inherent psychological needs for autonomy, relatedness, and competence.

These techniques will help sales managers become more effective sales coaches:

8.3.1 Preparation

Preparation for coaching is both an act and a mindset. Managers need to prepare for planned coaching sessions to engage team members, minimize defensiveness, ask thought-provoking questions and share thoughtful perspectives, feedback, and ideas. Preparation also helps managers ready themselves to spontaneously pivot into coaching mode when the opportunity presents itself.

a. Sales Coaching Activity

Preparation for a coaching session is often a matter of a few focused minutes. When time is limited it is best to focus efforts on thinking through a preliminary assessment of positives, gaps, and desired outcomes, as well as the evidence that supports the assessment.

8.3.2 Connecting

The human connection between a manager and a team member gives coaching its power. Without mutual respect and trust, learning will not take place.

a. Sales Coaching Activity

Sales managers can position themselves for a productive, open, and collaborative interaction by first connecting with the sales team member on a personal and professional level.

8.3.3 Assessing

The starting point for improving performance begins with a clear assessment of the current situation and identification of strengths and a gap that represents an opportunity to improve. The sales manager and the sales professional must align their understanding of the behaviors that need to change and this is achieved through questioning and listening.

a. Sales Coaching Activity

One of the biggest traps in sales coaching is when the coach skips asking for the team member's perceptions or asks just one question, gets a short answer from the team member, and proceeds to give their view. Asking focused drill-down questions to gain a more complete understanding aids alignment.

8.3.4 Analysing

Analysis helps sales coaches and sales professionals identify the root issue that is preventing the desired behavior. Identifying the root issue is key because there is little value in fixing the wrong problem.

a. Sales Coaching Activity

Typically, the underlying root issue can be identified as either a knowledge, skill, or will issue, or a combination of the three. These issues are not always related to poor attitude. Many will-based issues are emotionally rooted in fear. Identifying the underlying fear often reveals a lack of skill or knowledge.

8.3.5 Addressing

Improving selling skills requires a clear action plan. The sales professional should participate in brainstorming solutions. The sales coach can step in to guide the team member in evaluating those ideas to figure out which solution is best. Participation on the part of the sales professional results in ownership of the solution.

a. Sales Coaching Activity

Team members can perpetuate the manager's telling. They are accustomed to being told, so they ask their managers for answers. Sales managers in coaching conversations must be careful to avoid falling into the role of being an expert that tells.

8.3.6 Commitment

Every sales coaching conversation should end in a commitment to specific behaviors and actions that will strengthen performance. This is the time to ensure that the team member is truly clear on agreed-to-actions and next steps that maintain accountability. Even though the sales manager will close the conversation on a business topic, this is also a good time to reinforce the relationship on a human level.

a. Sales Coaching Activity

Avoid apologizing. Many managers have a tendency to apologize at the end of the conversation. This detracts from credibility and reduces accountability. Offer encouragement, and state belief in the team member's ability to succeed.

8.3.7 Action

Follow-up is the job of a sales coach. The goal of follow-up is to affect change, create an atmosphere of accountability, and demonstrate commitment to coaching.

a. Sales Coaching Activity

Recognizing incremental improvement and providing encouragement will motivate the sales professional to continue down the path to behavior change.

8.4 Recap of Chapter

a. Without adequate sales training, your team will flounder, and business growth can become stagnant.
b. Effective sales team training encompasses various elements such as product knowledge, sales techniques, and customer relationship management.
c. Successful coaching involves employing active listening, asking powerful questions, and providing constructive feedback to support sales team members' growth.
d. Continuous learning and skill development are crucial for sales team members to adapt to changing market dynamics and meet evolving customer needs.

8.5 Exercises

a. Why is it important for sales training to be personalized and consistent, and how can this approach impact the success of both new and seasoned sales team members? Discuss the benefits of personalized training and regular check-ins, and how this can foster a culture of continuous learning.
b. What role does trust and mutual respect play in the sales coaching process, and how can managers build and maintain this connection with their teams? Explore how effective sales coaching hinges on strong interpersonal relationships and how managers can foster a culture of openness.
c. How can sales managers effectively identify the root causes of performance gaps, and why is it crucial to distinguish between knowledge, skill, and will issues?

MANAGING SALES PERFORMANCE AND MOTIVATING SALES TEAM

9.0 Learning Outcome

By the end of this chapter, you will be able to:

a. Identify the Factors That Affect Sales Performance
b. Determine Key Factors That Drive Sales Performance
c. Ascertain Strategies to Effectively Manage Sales Performance
d. Gain Insights to Properly Motivate Your Team

9.1 Factors that Affect Sales Performance

9.1.1 Quality of Products

One of the top factors that can determine the business' sales growth is the capital itself. If the product is satisfying customers' needs at reasonable prices, it will sell. The business should ensure that they maintain the quality of the product and add or modify the functions according to the ever-changing technology and the varying tastes and preferences of the customers. The product quality, as well as your customers' perceptions of it, could be affecting your sales volume.

9.1.2 Market Forces

Sometimes, your team's sales performance will be subject to market forces. The economic forces of supply and demand sometimes have nothing to do with government or company policy. They tend to be external. The marketing strategy of an organization plays a significant role when it comes to sales. If your sales team is currently performing dismally, it could be due to the Covid-19 pandemic or economic hardships. The market forces could be against you, but that may not be the only reason. Ensure you have your marketing strategy right by selecting the correct target audience, positioning the brand, proper pricing, etc., and something will work. The performance of sales is subject to market forces.

9.1.3 Pricing of Your Product

Research shows that 58% of buyers want to discuss the pricing on the first call. How much your product or service costs will determine the volume of sales your company makes. It's therefore essential for you to address that issue. It may be the reason your sales team doesn't perform well.

9.1.4 Customer Care Services

Customers are likely to refer others to your company if they have had a positive experience. If your sales reps report that many prospects complain about their issues not being addressed adequately, you have a customer care service problem. That means you must reach out to your customer experience colleagues and request them to deal with the issue. Otherwise, you will continue to miss many sales opportunities among existing customers and thus fail to hit your sales quotas.

9.1.5 Quality of Salespeople

What kind of people do you have working in your sales team? Are they passionate about what they do for a living? A bad hire is not something that you can always wish away. The skillset of your salespeople matters. Some people don't have it to be empathetic, time-conscious, problem solvers, etc. And if someone lacks passion for the job, then you can't force them to display it when working. If your sales department is not performing well, it may be time for new hires.

9.1.6 Budget for Sales Activities

You need to spend money to make money. Activities such as prospecting, qualifying leads, meeting prospects, driving to see prospects, making presentations, **training**, etc., require money to happen. If your sales department is underfunded, you need to talk to your bosses. Show them the need to have a bigger budget for sales processes. Because if your sales team doesn't get the funding it needs, your overall performance will continue to be dismal. You cannot expect every salesperson to produce great results when they are so ill-equipped for their jobs.

9.1.7 Lack of Collaboration Across Departments

Your departments must also communicate with other departments to achieve company quotas.

Here are some facts to ponder:

a. Did you know that 44% of decision-makers consider the company's website as the marketing asset that influences them most when making a purchasing decision?
b. Despite 85% of the marketing departments saying that supporting sales is their priority, 56% of salespeople must prepare their materials.
c. Top salespeople believe social selling tools, CRMs, sales intelligence tools, productivity apps, email tracking tools, etc., are essential to their success.

9.1.8 Promotion

Sales promotions are marketing strategies your department can use chiefly to increase sales temporarily to gain sales volume and market share. Although sales promotions usually produce sales volume over and above what is typically the case, they do not build brand identity and loyalty. Promotions only work as well as marketing.

9.2 Factors That Drive Sales Performance

9.2.1 The Right Sales Strategy

Adopting the right sales strategy allows you to address the needs of customers at every stage. Assisting a new customer requires a different approach than helping current customers. New customers need education about the product features and functionality while existing customers mostly need assistance or technical support.

9.2.2 The Right Processes and Structure

One of the most effective management tools to improve and drive sales performance is to implement process-based management and put effective structures in place. Processes get to be more flexible and there is an interrelationship between the people involved. Because your department may do many processes repeatedly, small improvements can add up to huge benefits.

9.2.3 Skills and Behaviours
Don't think about your people. Imagine you're starting a new business and were going to hire the ideal sales force to sell your products and services. What skills would they have, and what behaviors would they exhibit when calling on prospects and serving customers? What core competencies will drive reps to peak performance?

9.2.4 Hiring the Right Talent
The behavioral profile for each person is very different, which requires you to assess your sales force to determine who possesses the innate competencies to fit the roles. Who are your high performers? What makes them great and how can you get that performance from everyone else? Who doesn't "get it" and will need extensive training or sales coaching, or to be sacrificed and replaced by someone with better potential?

9.2.5 Technology Enablement
There are certainly benefits to leveraging technology throughout the sales process (including training and development opportunities). Technology can drive sales performance and help make your reps more efficient in researching prospects; help them connect with clients and prospects virtually before committing to costly and time-consuming travel; sift through mounds of data and prepare cutting-edge presentations to "*wow*" potential buyers.

9.2.6 Sales Training to Win
Sales training not only equips you and your sales team with more effective and efficient sales techniques, but it can also help your department understand which techniques are right for your organization and which aren't. Gaining these insights will help you and your team learn when to switch gears and how to maximize your time and streamline processes so you can close more deals.

9.2.7 Sales Management
Sales managers play a pivotal role in the performance of their sales force. The goal is to have sales managers with both the skill and the will to reinforce and support any sort of change or developmental effort. Sales managers need to be encouraged to be more than the number of crunchers and schedule minders. The best sales managers coach their reps toward the desired performance.

9.2.8 Metrics and Measurement
Identify sales performance metrics that allow you to measure and move the herd in the middle of your salesforce. In sales teams, we too often focus on trying to make great salespeople better and helping laggards to improve.

9.3 Other Driving Factors
a. Sales Incentive Program
b. Effective Coaching Program
c. Communication And Feedback
d. Improved Customer Experience

e. The Right Products
f. Robust Referral Network
g. Distribution Network
h. Keeping Your Team Hungry

9.4 Motivating the Team

Sales managers must appreciate that motivation is far more sophisticated than the view that all salespeople need is a *'kick up the pants*. Effective motivation requires a deep understanding of salespeople as individuals, their personalities, and value systems. In a sense, sales managers do not motivate salespeople. What they do is provide the circumstances that will encourage salespeople to motivate themselves.

An understanding of motivation lies in the relationship between needs, drives, and goals: 'The basic process involves needs (deprivations) which set drives in motion (deprivations with direction) to accomplish goals (anything that alleviates a need and reduces a drive)'. Thus, a need resulting from a lack of friends sets up a drive for affiliation which is designed to obtain friends. In a work context, the need for more money may result in a drive to work harder to obtain increased pay.

Improving motivation is important to sales success as research has shown that high levels of motivation lead to:

a. increased creativity
b. working smarter and a more adaptive selling approach
c. working harder
d. increased use of win-win negotiation tactics
e. higher self-esteem
f. a more relaxed attitude and a less negative emotional tone
g. enhancement of relationships.

9.4.1 Motivational Theory - Maslow's hierarchy of needs

Maslow's classic hierarchy of needs model proposed that there are five fundamental needs that are arranged in a 'hierarchy of prepotency'.

No.	Category	Type	Characteristics
1	Physical	Physiological	The fundamentals of survival, e.g. hunger, thirst.
2	Safety	Safety	Protection from unpredictable happenings in life, e.g. accidents, and ill health.
3	Social	Belongingness and love	Striving to be accepted by those to whom we feel close (especially family) and to be an important people to them.
4	Esteem	Esteem and status	Striving to achieve a high standing relative to other people; a desire for prestige and a high reputation.

5	Self	Self-actualization	The desire for self-fulfillment in achieving what one is capable of for one's own sake – 'Actualized in what he is potential' (Maslow).

Table 3: Maslow's Hierarchy of Needs

Maslow argued that needs form a hierarchy in the sense that, when no needs are fulfilled, a person concentrates on their physiological needs. When these needs are fulfilled, safety needs become preponderant and important determinants of behavior. When these are satisfied, belongingness becomes important, and so on up the hierarchy.

Although Maslow's belief that one set of needs only becomes important after lower-order needs have been completely satisfied has been criticized, the theory does have relevance to salesforce motivation. First, it highlights the perhaps obvious point that a satisfied need is not a motivator of behavior. Thus, a salesperson who already receives a more than adequate level of remuneration may not be motivated by additional payments. Second, the theory implies that what may act as a motivator for one salesperson may not be effective with another. This follows from the likelihood that different salespeople will have different combinations of needs.

Effective motivation results from an accurate assessment of the needs of the individual salespeople under the manager's supervision. The overriding need for one salesperson may be reassurance and the building of confidence; this may act to motivate them. For another, with a great need for esteem, the sales manager may motivate by highlighting outstanding performance at a sales meeting.

9.4.2 The Churchill, Ford, and Walker model of Salesforce Motivation

They developed a model of salesforce motivation that integrated some of the ideas of Herzberg and Vroom. This suggests that the higher the salesperson's motivation, the greater the effort, leading to higher performance. This enhanced performance will lead to greater rewards which will bring about higher job satisfaction. The circle will be completed by enhanced satisfaction causing still higher motivation.

The implications of this model for sales managers are as follows:

a. They should convince salespeople that they will sell more by working harder or by being trained to work 'smarter' (e.g. more efficient call planning, and developing selling skills).
b. They should convince salespeople that the rewards for better performance are worth the extra effort. This implies that sales managers should give rewards that are valued and attempt to 'sell' their worth to the salesforce. For example, a sales manager might build up the worth of a holiday prize by stating what a good time they personally had when there.

They also found that the value of rewards differed according to salesperson type. Older salespeople who had large families valued financial rewards more. Younger, better-educated salespeople who had no family or small families tended to value higher-order rewards (recognition, liking, and respect, sense of accomplishment).

9.4.3 Motivating Factors for Salesperson

A study into Salesforce practice commissioned by the Chartered Institute of Marketing asked sales managers to rank eight factors (excluding salary, bonus, or commission) that could be effective in stimulating their salespeople to better their usual performance. The results are displayed in the table below.

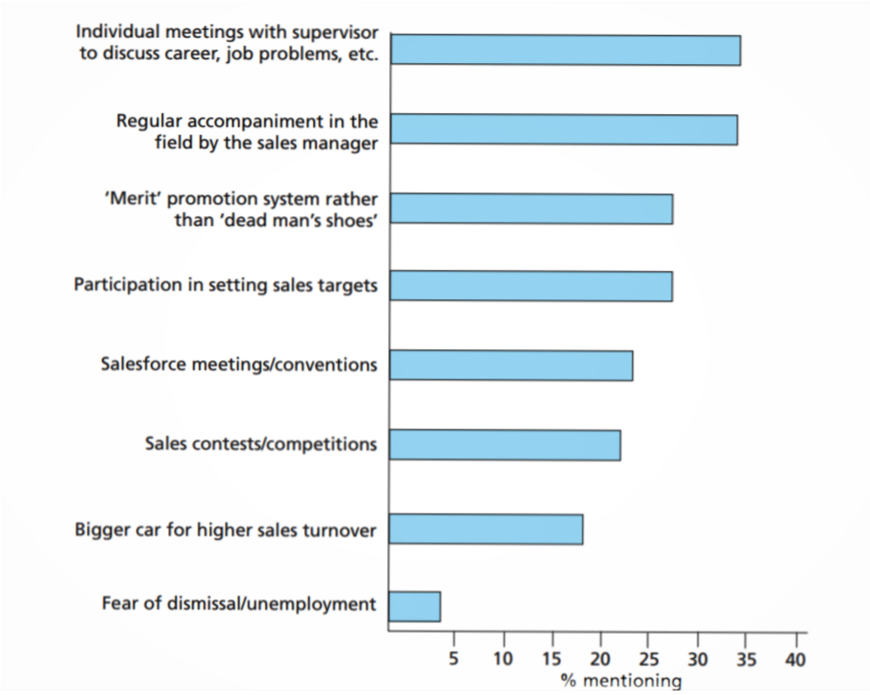

Figure 4: Factors Motivating Salesperson; Source: SlidePlayer

The results of the study show the importance of the manager/salesperson relationship in motivation. Individual meetings between manager and salesperson were thought to be the most effective of the eight factors investigated. Sales contests and competitions were ranked only sixth in importance, although a more detailed analysis of the answers revealed that this form of motivation was ranked first among the consumer goods companies replying to the questionnaire.

9.4.4 Financial Incentives

Most companies, whether selling products or services, pay commissions or bonuses to their salespeople. The most usual form of payment is the salary plus commission system, since this provides a level of security, plus the incentive of higher earnings for higher sales. However, in some instances, salespeople are paid on a straight commission basis so earnings are entirely dependent upon achievement.

A commission system may thus comprise a given percentage, e.g., 1.5 percent of total sales revenue generated per salesperson; or a percentage, e.g. 5 percent of sales revenue for all sales above a sales quota. Some companies may construct more complicated commission systems whereby different products have varying commission rates. Higher rates may be paid on higher profit items, lines regarded as being harder to sell, or products with high inventory levels. Thus, the commission system can be used not only to stimulate greater effort in general but also to direct salespeople towards expending greater energy on those products the company particularly wants to sell.

The commission may work in motivating salespeople by providing a direct reward for extra effort and by giving recognition for achievement. Clearly, salespeople highly value the opportunity to increase pay based on their sales achievements.

9.4.5 Setting Sales Targets or Quotas

If a sales target or sales quota is to be effective in motivating a salesperson, it must be regarded as fair and attainable and yet offer a challenge to them. Because the salesperson should regard the quota as fair, it is usually sensible to allow them to participate in the setting of the quota. However, the establishment of the quotas is ultimately the sales manager's responsibility, and they will inevitably be constrained by overall company objectives. If sales are planned to increase by 10 percent, then salespeople's quotas must be consistent with this. Variations around this average figure will arise through the sales manager's knowledge of individual sales personnel and changes in commercial activity within each territory; for example, the liquidation of a key customer in a territory may be reflected in a reduced quota. The attainment of a sales target usually results in some form of extra payment to the salesperson. An advantage of the sales quota is that it can be used flexibly to motivate salespeople to attain specific goals.

9.4.6 Meetings Between Managers and Salespeople

This is highly regarded by sales managers in the motivation of their sales teams. Managers can meet their salespeople in the field, at head office, and sales meetings/conventions. They provide several opportunities for improving motivation. First, they allow the sales manager to understand the personality, needs, and problems of each salesperson. The manager can then better understand the causes of motivation and demotivation in individual salespeople and respond in a manner that considers the needs, problems, and personality of the salesperson.

Meetings in the field, which may form part of an evaluation and training program, can also provide an opportunity to motivate. Sales techniques can be improved, and confidence boosted, both of which may be motivated by restoring in the salesperson the belief that performance will improve through extra effort.

Group meetings can be motivating when the sales manager encourages an '*open*' style of meeting. Salespeople are encouraged to discuss their sales problems and opportunities so that the entire sales team benefits from each other's experiences. This leads to a greater sense of group loyalty and improved performance.

Finally, meetings between managers and salespeople provide the opportunity for performance feedback where weaknesses are identified and recognition for good work is given.

9.4.7 Promotion

Sales managers believe that a merit-based promotion system does act as a motivator. If the promotion is to a managerial position, there are grave dangers in promoting the company's best salesperson. The skills required of a sales manager are wider than those required of a salesperson. A sales manager must be able to analyze and control the performance of others, motivate, and train them. These skills are not required to sell successfully. If promotion is to be tied to sales performance, it is sensible to consider the creation of a dual promotional route. The first path follows the normal managerial career sequence. The second is created to reward outstanding sales success. An example of such a merit-based promotional ladder is:

Salesperson → Senior Salesperson → National Account Executive

9.4.8 Sales Contests

Sales contests are a popular form of incentive for consumer salesforces. The purpose of the sales contest varies widely. It may be to encourage a higher level of sales in general, to increase the sales of a slow-moving product, or to reward the generation of new customers. The strength of a sales contest lies in its ability to appeal to the competitive spirit of salespeople and their need for achievement and recognition. As with other financial incentives, to be effective the contest must be seen to be fair, and each salesperson must believe that they are capable of winning.

9.5 Recap of Chapter

a. Factors that affect sales performance include market conditions, customer preferences, competition, pricing strategies, and salesperson skills and motivation.
b. Sales performance can be driven by factors such as effective sales training, clear sales goals and targets, efficient sales processes, strong leadership, and a positive work environment.
c. Motivating a sales team requires understanding their individual motivations, creating a supportive and collaborative culture, offering incentives and rewards, and providing opportunities for professional growth and development.
d. Recognizing and rewarding sales team members for their achievements, both monetarily and through non-monetary means, can enhance motivation, job satisfaction, and overall sales performance.

9.6 Exercises

a. How can sales managers balance the need for financial incentives with intrinsic motivators, such as recognition and career growth, to create a more sustainable and engaged sales team?
b. In what ways can a sales team's collaboration with other departments (like marketing and customer service) be improved to drive better sales performance, and what role does technology play in this collaboration?
c. According to Maslow's hierarchy of needs, how can sales managers tailor their motivational strategies to address the different needs of individual salespeople, especially when team members have varying levels of experience and personal goals?

10.0 CONCLUSION

Growth-minded leaders invest in a continuous improvement approach. This is not just about setting targets but requires good role models, coaching to improve specific skill areas, and reinforcement over time to develop expertise.

Effective Sales Management & Leadership ensures your salespeople have the right tools, guidance, and support to reach organizational goals. It is the cornerstone of building high-performing sales teams that consistently meet and exceed targets, adapt to changing markets, and cultivate long-term client relationships. The most effective sales leaders are those who can seamlessly blend both roles to cultivate a results-driven and motivated sales force.

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