

How should I select my next Sales Manager with a view to increased sales performance?

A white paper specially developed for the SMB Entrepreneur on how this should be done if results are the key objective.



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I would like to thank the following colleagues/friends for their outstanding help and their valued contribution to this white paper:

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- ✓ **Peter Gram** Certified Partner – Salesmen4U The Netherlands

"When it is obvious that the goals cannot be reached, don't adjust the goals! Adjust the action steps."

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Before you start ... please clear your mind, be honest with yourself and stay with us for 15 pages. Then take a couple of days to let it "sink" in and think it over once more. If after that, it still makes sense to you and your company, you should do something about it ... soon!

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1. Introduction

1.1 For whom was this white paper written?

This white paper was written **for all Small or Medium-sized Businesses** (SMB) with between 25 and 500 employees or with the firm ambition to get there. Although it could be applied to many different businesses around the world, it is specifically destined for **companies that are active in the Business-to-Business area** with value-based products and/or services.

It is also for those SMBs that **are not entirely happy with their current sales team** or **Sales Manager** and for those who are just wondering if they could do any better. It is also a good source of practice learning for any start-up that wants to have an idea of what will most probably lie ahead in a not so distant future.

Warning! *Some texts may be shocking to some readers!*

1.2 Over 100 years of domain expertise!

- ✓ The author and the two contributors have **over 100 years of combined experience and expertise** in **direct handling and managing B2B sales teams** in various local, international and Fortune 500 companies around the world.
- ✓ All of us have been selling products and services **specifically developed for SMBs** and, as such, we have met thousands of them around the world. Unfortunately, we also have seen way too many of their Sales Managers **doing the wrong things** or even sometimes the right things **but too little and too late**.

1.3 Huge quantities of SMBs go bankrupt every year!

In Flanders, the Dutch-speaking part of Belgium, **over 10,000 businesses go bankrupt** every year over and over again!

Believe it or not, we can guarantee **that not all of them are starters** or self-employed persons! If we follow the statistics, we're talking here about +/- 500 small or medium sized companies out of a total population of some 6 million. By mathematical deduction we could quantify **the total yearly number of SMB bankruptcies** in the European Union to be **around 42,000!!!** Just imagine the loss of jobs!

As we discussed in our first White Paper on "**How to substantially improve your sales performance without rocket science and at amazingly low cost!**", we sadly see that in most cases, the causes need to be found in the **missing of a sound foundation** in these businesses. We therefore consider that a **"great" Sales Manager** with the right leadership capabilities **MUST be an integral part** of such a sound foundation.

1.4 Such a project is way too expensive! Or is it?

We said in the first paragraph above that this white paper was written for SMBs and we **know that cost is therefore of paramount importance**. There are many large consultancy organizations out there who can help corporate and enterprise companies in selecting “better” sales leaders. Very often, however, the cost involved in such a major project is simply too high and results too unpredictable for any SMB.

In our case, we obviously can't give fixed numbers, but on average such a search and assessment project will never cost more than **an average 3-month gross pay package** of that sales manager!

Think about what it could mean to substantially **increase your sales performance** in just a couple of months for such a very reasonable “**investment**”!

2. Some bare facts

Just a few facts that, year in year out, **cost billions of dollars** to companies around the world. Facts that are **lethal to most SMBs, however**, if not recognized and taken care of properly.

Over and over have we met SMB owners or managers who were not aware of these facts, had only a faint idea of them or thought that they most **certainly did not apply to their own company!**

2.1 Our experience and recent market surveys tell us that in SMBs ...

- ✓ only some **30% of current salesmen** can be considered **true sales talents** and worth being retained at the company they work for! The others are average or bad and just consume lots of management attention!
- ✓ in more than 50% of cases, the **function of Sales Manager does not exist**; at best, someone keeps an eye on the salesmen ... from time to time!
- ✓ over 70% of all current Sales Managers **do not have or have not enough leadership capabilities**, resulting in a lack of respect from their team members and de facto bad results!
- ✓ many Sales Managers are still not **considered** by their management **as important contributors** to the success of the company!
- ✓ employees do not consider sales teams as important contributors to **their own situation** and welfare!
- ✓ often the sales teams **are not properly organized**, do not have the necessary sales skills or profiles to do their jobs and are therefore continuously underachieving in relation to the objectives!

A great captain of industry once said: "*It's better not to have any salesmen than to have bad salesmen!*" We couldn't agree more!

Scary, isn't it?

2.2 Some facts about people in companies

I recently read a short eBook by *Steve Satterwhite* (1) based on a large study in North America by the famous **GALLUP Organization** that really blew me away! Here's why: this study says ... that 63% of all employees are "not engaged" ... and ... **24% are "actively disengaged"** in the company they work for!!!

No doubt **this will also be true in sales teams**. Very scary indeed!

Any chance that this may also be the case in yours? Maybe not, but it's certainly worth taking it into consideration.

2.3 What many Sales Managers do but shouldn't!

Our longstanding experience in working with Sales Managers and teams indicates that only very few of these teams are well supported, manned, managed and organized! In

many cases **they have to fight more heavily** against their own companies than against competitors with a predictable but unfortunate outcome.

In other cases we see that there is virtually no supporting environment surrounding the sales teams at all, turning them into "**necessary ballast**" to the rest of the organization.

The above situations frequently cause the slightly less capable Sales Managers **to develop their own strange ways of "managing"** their team(s) by doing things they shouldn't have to do such as:

- ✓ taking over the **management of the major accounts** themselves versus concentrating on running the team and individual salesmen;
- ✓ **micro-managing their salesmen** forcing them into an unbearable and unnecessary psychological situation and in most cases out of the door;
- ✓ starting with **their own job protection strategies** and, in so doing, ultimately losing their teams' total respect and support;
- ✓ getting **on their high horses on the slightest occasion**, thus killing every possibility of internal communication with the rest of the team and the company;
- ✓ forgetting to take the necessary time **to organize sales reporting moments** and therefore losing total "connection" with the prospect and customer bases;

It does not take lots of words to explain what the end results would be if such situations grew within your own company. **For SMBs it may even be much worse** since they do not always have the capabilities or in-house structures to detect the issues until it is well on the way to being too late.

2.4 What most Sales Managers don't do but should!

It is somewhat the opposite of what we describe in point 2.3 above, but the results of these kind of situations are nevertheless very similar.

A good Sales Manager needs to **"manage" his team** and people and sometimes, in given circumstances, his or her boss a little bit as well. **That's really all there is to it** if it is done with professionalism, leadership and consistency.

So here are some **good guidelines to the job content** of a great and "**modern**" SMB Sales Manager in a B2B environment:

- ✓ By definition, **he/she must NOT have own accounts**, whether major or not! He/she needs to appoint these accounts to the best "Farmer" (or Account Manager) and help him/her as much as possible to increase the "average sales per customer".
- ✓ He/she must develop and **implement**, together with the company management, **a professional "sales discipline"** which is known and supported throughout the whole company. This is not a "time-based" or "activity-based" discipline but rather **a structured way of defining** the necessary sequential steps in all **clients' buying cycles**.
- ✓ They must have their sales operations, teams and objectives **on their RADAR SCREEN** from Monday morning till Sunday night and do whatever they can to make their individual team members do a better job in **qualifying buying cycles** and closing deals.

- ✓ They must continuously make sure that the **environment surrounding their sales team** is the best it can be and do the necessary lobby work in the company's management board.

Keeping the few above-mentioned **TO DO's high on their priority list** will bring the respective Sales Leaders substantially closer to a higher sales performance by being much more in control of daily sales-related activities, choices and decisions.

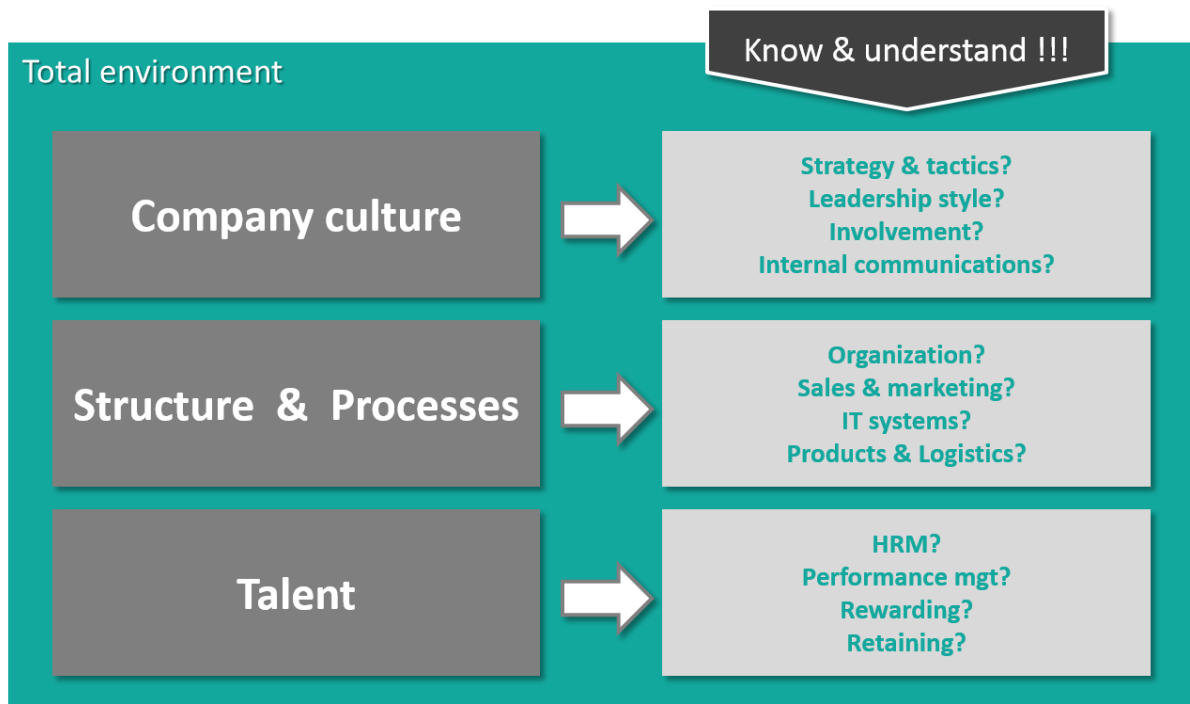
3. The total company environment

3.1 Why is it of paramount importance?

Unfortunately for many companies, salespeople **require** the total environment in which they'll have to work to be supportive, motivating and thrilling **in order for them to overperform** every month and every year, over and over again, without feeling the uncontrollable urge to leave the company **for a better** "environment". Only then will that company be able to retain its "**performing**" **human capital** in sales and keep the books clear, as far as possible, of dramatic and unnecessary replacement costs.

Sales teams are made up of ... **PEOPLE!** And **salespeople** do have somewhat different **profiles** than people operating in other departments. That's why they're in sales and not in engineering, support or administration!

Below is a schematic presentation (this time in a nutshell) of what we consider to be the "**total environment**".



Any inconsistency in this total environment **WILL impact the performance** of the sales team and, as a result, the performance (growth) of the company!

As you can see in the above graphic, top right rectangle, "**Leadership**" is one of the **most important elements** in making or breaking that environment! In point 2.1 of this white paper we provided some "bare facts", and one of these says that **unfortunately less than 30%** of all current sales managers **have the necessary leadership skills** to create, maintain or enforce such a supportive environment in their companies.

3.2 What should it be like?

You can probably imagine that it is **impossible for us to give you a blueprint** of what such a supportive environment should be like because it depends on a great many variables, directly related of course to your company itself and its long-term business objectives.

However, here are a few important **“generic”** characteristics where you could start:

- ✓ **Don't be “opportunistic” in searching for a Sales Leader!** This person will be your most important department manager and you deserve professional and reliable help from a supplier who takes time to know and understand your particular environment, **allowing him/her to match the candidates** to your specific situation.
- ✓ Your Sales Manager **MUST be a full member of your management team** and be your “second in command”! This should be obvious to and supported by all your employees.
- ✓ As an entrepreneur, you should **involve him/her in your decision-making** process so as to broaden your horizon. After all, he/she might have some great ideas.
- ✓ **Professional Sales Leaders don't come cheap** and you should therefore expect to pay a “retaining” salary package rather than negotiating for the lowest paycheck! After a while, you'll get it back big time!
- ✓ **Don't “automatically” appoint your best sales pro** to the Sales Manager position. You'll have a 70% statistical chance of ending up with a manager without leadership. You have to be aware of the heavy risk involved in doing that. Prior **Assessment** of the person is a good way to start! Furthermore, you need to be aware that such a promotion won't necessarily be appreciated (or supported) by all other employees.
- ✓ You should **take the time to have a weekly eyeball meeting with your Sales Manager** in order to discuss the situation, assess the issues and find solutions. Your sales activity is indeed a very dynamic environment subject to frequent change.
- ✓ Brainstorm regularly with your Sales Leader **on how to modify and enhance your own “total environment”** for making it more supportive and motivational for your sales team.

Don't forget that there are a few specialized companies out there who can help and guide you through. However, make sure you contact a company specialized in the SMB ecosystem.

If you don't, we guarantee that you will have major problems **in retaining your great sales talent**, with all the regrettable repercussions this can have for your operations and ultimately ... your own wallet!

4. A professional sales process

4.1 The “selling” cycle or the “buying” cycle?

In order to explain this development, we take the **IT industry as an example** and go back to the 60’s and 70’s. In those days computers **were extremely expensive oversized “monsters”** that required huge rooms with supporting climate control to operate. Some even had a big red “emergency stop”-button on the CPU (Central Processor Unit) preventing them from exploding when in overload. And all of that apparatus could today easily be fitted **10x in your ... wrist watch!**

In those days most buyers of these beasts were (very) big companies and computers could only run simple programs for accounting, mathematics, invoicing, order entry or salary calculations. Given the very limited competition, computer vendors were not very keen or motivated in publishing in-depth information or data about their systems. In other words, the corporate buyers were not often very knowledgeable about them. This meant **that in the IT world, a buyer was bound to follow the “sales cycle”** forced on them by the vendor(s).

The **appearance of the Personal Computer (PC)** in the early 80’s and the unstoppable continuous price war it provoked as of the late 80’s gave rise to ever **higher demand by consumers** for published technical information on performance, capabilities, functionality and quality of IT systems and solutions.

It took this industry until the late 90’s, however, to start understanding that **buyers had become much more knowledgeable** about the IT systems they wanted to buy. These vendors slowly started, with pain in their hearts, to accept that maybe **“selling” cycles had in fact disappeared** and had been replaced by **“buying” cycles** under the full control and decision-making power of the potential Clients!

As a final remark on this subject, you have to understand and accept that your future **buying cycles cannot be influenced** by salespeople or vendors, and that your own modern professional sales operation and its leaders **must accept this**, use it and act accordingly. Failing to recognize this evolution towards buying cycles, will no doubt have a very nasty impact on your sales performance!

Unfortunately, again, not all sales operations out there apparently **“got that message”!**

4.2 Sales people hate CRM!

CRM vendors are currently doing “golden” business and the CRM software market is still **growing in double digits** each year. Thousands of such vendors of all sizes have emerged in the past 10 years and the worldwide offer is tremendous, so that no matter how small your operation is, **you’ll definitely find a suitable CRM solution for your budget** and requirements.

However, for most new business sales people (the “hunters”), **the sheer word “CRM” makes them shiver in agony!**

The first thing they think about is the (heavy) workload of unnecessary data they'll have to put into the CRM system every day. The second thing they'll have on their minds is: "how will I be able **to trick the system?**".

The result is that **the majority of worldwide CRM databases are "polluted"** to various extents with inaccurate, wrong, outdated and misleading information and that most salespeople are convinced that their company's CRM **does not have any added value for them**, at least not in "really" helping them to close more "buying" cycles – on the contrary!

4.3 As simple as it can be!

We can confirm, in other words, **that very few** CRMs currently offer functionalities which really support sales pros in their daily operation towards **actively improving their closing rate!** Their vendors won't admit it, but no matter what, it's a fact of life!

Having vast combined experience with sales pros and teams, we understand what it takes to build a software app which is truly capable of **substantially improving the "performance"** of salespeople.

That's exactly what we did with our in-house developed **SPA** (Sales Performance Automation) cloud software **GSP Online**, based on just a few basic principles:

- ✓ Keep it **very simple to operate** and understand;
- ✓ Build it around the natural logic of a **client's "buying cycle"** process;
- ✓ Include a certain **set of internal approval** cycles;
- ✓ Use a commonly known and logical **sales process discipline**;

Sales pros love it because **it is easy**, it doesn't take a lot of time and they immediately see **a real benefit for their own operation** and obviously therefore also for their wallet!

5. A professional Sales Manager

5.1 Promote your best sales pro to Sales Manager, or?

Good **leadership does not come** from being a hotshot sales pro! Many companies around the world have experienced the damage such promotions can cause to their sales teams and therefore automatically to their revenue.

In fact, we have seen that in a great majority of cases, hotshot sales pros **do not have the necessary leadership profile** to be successful as a Sales Manager or Sales Team Leader!

As said, the reasons are to be found in people's profile and character. And true hotshots are very often, and despite what they say in their CVs, not good team players at all!

Furthermore, you have to consider carefully that promoting "one of the guys" to becoming the "boss" will provoke a **strong reaction from the others**, which will no doubt undermine **the necessary respect** for the new boss from the start.

You may find this harsh and sad, but it is the naked truth, believe us! As a result, we would definitely advise you **to look outside of your company to find your own great Sales Manager**.

5.2 Professional leadership assessment needed!

We have mentioned before **the importance of (very) good leadership capabilities** for any Sales Manager to bring and keep his operations (far) above industry average.

You and your company's growth plans therefore **deserve an in-depth assessment program** for all potential short-list candidates for the position of Sales Leader(s).

Such an assessment program **must include**:

- ✓ A thorough **screening of the CV** and at least two reference calls;
- ✓ A **case study test** to evaluate the persons' skills in tackling and handling sales processes which are representative of your own specific business model;
- ✓ A professional **profiling exercise** to evaluate the candidate's leadership capabilities;
- ✓ An **in-depth interview**;

This might cost some decent money but you will **remove the majority of the risks**, and the chances of finding a **better "match"** to your company, yourself and the required skills **will increase heavily**.

Doing this thoroughly **will pay for itself in less than 6 months!**

5.3 A true management team position

As probably the most important managerial asset of your company, your **Sales Manager must be a full member of your Management Team (MT)**! We would even strongly advise you to appoint this person **as your second in command**. A more than

reasonable decision considering that he or she will in the end be responsible for your revenue and profit.

And don't forget that if you're at all serious about your future growth plans, you should **meet with your MT every week** to go through the issues and find solutions, and last but not least to do everything you can to support your sales operation.

6. A professional sales team

6.1 The necessary sales discipline

In our book, **Sales** is or should be to some extent **an “art” governed by a tight process!** This combination of art and process must be made and kept as **supportive as possible** for your sales team and its objectives.

No matter how good or great your sales staff actually is, **this process requires a sales discipline** that will ensure that it is, as you may imagine, in line with your prospect’s buying cycle! Failing to do so **will reinstitute a “sales” cycle-based model** which will make you lose total control of the results.

Such a discipline has nothing to do, however, with time management or working hours! We are **referring here to the steps needed** to open a sales process based on a prospect’s buying cycle and **close it** as well and as fast as it possibly can by **getting a signed order**, which ultimately will also need to be delivered and paid for.

This discipline should include:

- ✓ A company-wide approved **terminology** to define the important sequential steps in the sales process;
- ✓ A set of **basic activities** (or workflow) that go hand in hand with those steps;
- ✓ A logical **approval cycle** for these activities;
- ✓ An easy **monitoring** and reporting model;
- ✓ A simple yet efficient “system” **to support it**, store the data and propose the required reporting;

Hence, we are absolutely convinced that **every great Sales Leader should implement such a rigorous discipline.**

6.2 Your need for proper sales reporting

It’s actually sad to say, but we have seen over and over again that in lots of SMBs salespeople and teams are doing their own thing while **management does not really take the time** to properly monitor what’s going on!

This often goes hand in hand with the company not feeling the need to have a Sales Manager, for example, or not organizing regular reporting moments, or not recognizing sufficiently the importance of its own sales organization.

While we understand that management may or should also have other priorities and that good Sales Leaders cost money, we do not understand **how “entrepreneurs” can live with the uncertainty** of lacking reliable and frequent information from their sales operations!

Sales should always be amongst any Entrepreneur’s top 3 priorities!!!

It may be that herein lie the principal reasons why so many businesses go bankrupt every year over and over again (see 1.3 of the Introduction).

6.3 They deserve support and fun!

We think that by now you should be starting to understand, accept and recognize that **your “great” sales operation is**, and always will need to be, your company’s **most important asset!**

If you don’t, we’re sorry to say that you have most probably wasted your time reading this white paper!

If, however, you have got the message, I’m sure we don’t need lots of words to help you understand as well that your great sales team **really deserve everything you can possibly do to support them** in their daily activities to enable them to **close more and more profitable deals.**

We said in an earlier section of this white paper that great sales teams **can only thrive in a total environment** that enables it to overperform, right?

We also said that **good sales people have a pretty different profile** than most of your other employees, right?

Taking these elements into account, your own “total environment” MUST also include **a decent portion of “fun”** because fun is one of the very important “**retainers**” that you should use to keep your highly performing sales talent **from considering the grass to be greener on the side** of your competitors!!!

Salespeople are not interested only in a bigger paycheque, a nicer company car or more recognition; they also require regular moments **where the can vent the pressure** that has been building up whilst doing their job. Furthermore, given their solid social profiles, they will greatly appreciate the chance to vent that pressure together with their colleagues and leaders. By the same token, these fun moments **will no doubt strengthen the team spirit** within your sales team and make them **feel much more involved** in your company.

I’m sure you will agree that regularly organizing such moments **is money very well spent!**

7. Conclusions?

No need for us to recap all the points and issues handled in this white paper.

We'll therefore only mention **the most important game changers** that will really make a difference in your own operations and hence directly and positively impact your sales performance.

- ✓ **Don't be** desperate and therefore "**opportunistic**" regarding decisions relating to your sales team and leader;
- ✓ Don't automatically **promote your best sales pro** to Sales Manager;
- ✓ Ensure that your sales leader is **a full blown member** of your management team;
- ✓ If not already done, recognize the fact that your own sales team **is the most "strategic" asset** of your company;
- ✓ Have your **Sales Manager candidates assessed** by a professional and specialized supplier;
- ✓ Once evaluated and hired, **pay him/her a little better** than your direct competitors would;
- ✓ Do whatever you can to offer your Sales Manager **the best total company environment** in your industry;
- ✓ Understand and accept that today **your clients have their own buying cycles** and that your sales team must act accordingly and with discipline;
- ✓ And finally, **don't forget the** recognition and **fun** element;

We are of course always available to further discuss your own particular environment if you are interested.

Thank you for reading.

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These are the hyperlinks to the quoted authors' eBooks:

Leading from above the line – An eBook by **Steve Satterwhite** – [CLICK HERE](#)