

Constant feedback used for effective management

INEFFECTIVE SUPERVISION may have more to do with unsatisfactory sales performance than any other factor. Many of the companies we have worked with attempted to manage sales by focusing exclusively on sales results. But the prospect, not the salesperson, controls the sale. The salesperson is responsible for the environment in which the prospect takes the buying action, and sales managers should help their staffs create a better environment for success, rather than attempting to manage salespeople through uncontrollable end results. The latter approach creates pressure situations in which most of the problems affecting the sales force are spawned. Salespeople's greatest influence is on the activities that precede the sale, such as contacting suspects, qualifying them as prospects, approaching, presenting, and closing. It is the combination of these activities as well as sales, that sales managers must manage if they are to improve the productivity of the sales force.

THE SALES MANAGER must be able to view these activities from two perspectives: their number and their effectiveness. A dual perspective viewpoint emphasizes activities for the purpose of results and not activities for the sake of activities. Before he/she can manage the combination of activities and results, a sales manager must understand that in every industry there is a generic ratio between the activities, which precede the sale and the sale itself. In one industry, the approach and interview precede the sale and the ratio for each is 3:1. That means it typically takes nine approaches to gain three interviews, which results in one sale. In another industry, three activities - approach, interview and demonstration - precede the sale and a 5:1 ratio exists. That means it takes 125 approaches to gain 25 interviews. Those interviews will produce five demonstrations, resulting in one sale. Of course, the ratio between each activity is not necessarily the same, and each sales manager must determine what the ratios are before he/she can manage effectively.

THE FIRST STEP is establishment of a feedback system. A call-reporting document, in which all the activities engaged in by the salesperson are categorized, is given to the staff. The names of the people contacted daily and the activity involved are noted. The document should include space to count sales numbers and volume. At the end of the week totals are calculated by the salesperson. Ratios could be developed from this information alone. However, the accuracy of such ratios would be suspect. Information from the week's activity should be transferred to a second document, where activities over a month or two would be accumulated to develop accurate ratios. Once accurate ratios are established, annual sales objectives can be converted to pre sales activities.

The number of sales needed to achieve the old objectives are determined, and then the number of pre sales activities needed to effect that number of sales are calculated by applying the right ratio. This figure can be increased appropriately to allow for shrinkage. For example, if approach and interview activities precede the sale and the ratios for each are 5:1 the salesperson would have to make 25 approaches to gain five interviews and one sale. If 100 sales are needed to attain the annual objective, the sales rep would have to make 2500 approaches throughout the year. To establish less daunting figures, activities should be broken down to monthly and weekly performance standards.

THE SYSTEM outlined by itself won't improve productivity or effectiveness of salespeople. The sales manager must learn to read the information so as to take the proper corrective action - in short, to manage. In analyzing weekly sales performance, the manager's first concern is motivation. If the salesperson isn't meeting weekly sales performance standards, the manager would look into the areas of planning, prospecting, or approaching skills. Through the process of elimination, he/she should be able to identify where the weakness exists and take corrective action. If the numbers are being met, the manager must view them from the standpoint of effectiveness. If deviations are noted from the established activity ratios, training can be offered to correct. Training becomes much more effective because it is directed to sales skill weaknesses identified by the salesperson's own performance. This second perspective is all-important in keeping the salesperson focused on activities for improved results.

INFORMATION PRODUCED by the feedback system must be communicated to the salesperson, and corrective action taken, within an environment, which will foster growth. We have designed a vehicle called the Personal Development Interview for fostering such an environment. The interview is held on a weekly basis between the sales manager and the salesperson. A weekly format is critical so that both parties see development as a continuous function. The interview is conducted at the same time and place each week to give the salesperson the opportunity to plan his or her work around it. To conduct a successful interview the manager must prepare by analyzing the activity trends and results. Interviews without this preparation often become counter productive. The interview is highly structured and motivational. Managers have to be taught how to conduct an interview which combines the management process (planning, organizing, motivating, and controlling) with questions to bring about development within the salesperson. The first portion of the interview focuses on activities and results for the

previous week, as well as the developmental objective determined from the analysis of cumulative activities. The developmental objective should also guide the sales manager in field assignments with members of the staff. The final portion of the interview focuses on activity planning for the upcoming week.

PERHAPS THE MOST difficult part of the process is training a sales manager to use questions which focus the salesperson's attention on the problem, then elicit his/her input in determining corrective action. When we train managers in this technique, we first conduct a seminar in which the concepts described are reviewed in detail. Drill and role play sessions are conducted to teach the sales manager the process as well as the questioning technique. Next a trainer/observer sits in with the sales manager during actual personal development interviews. A critique is held immediately after a session and before the next one. This continues for a number of weeks, and it has a dramatic impact on changing behavior and modifying the theory discussed in the seminar to the real life situation.

The entire sales industry faces problems with productivity, the high cost of sales calls, and high turnover of sales personnel. Many companies are looking for alternative methods of distribution. Our experience suggests these problems relate to ineffective supervision stemming from sales managers trying to manage end results alone.

With the kind of supervision described, the problems related to managing the sales force are minimized, with positive results to the company, the sales manager, and, most importantly, the salesperson.

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