

## Downturn Sales Management

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Remember that the sales force is the sharp tip of the pencil; mess with them in a recessionary climate and you mess up the entire business-writing instrument. A sales manager's most important job is to improve the *team's morale*, not achieve sales targets. Achieving objectives is just a by-product of energised and focussed salespeople.

Thus a sales manager's responsibility should be to focus on two main areas, motivating and developing their sales team. In a downturn, sales managers need to become even stronger leaders, yet the main reason for a salesperson's resignation is still "my boss".

In a recent Harvard Business Review article<sup>1</sup> the following factors, in order of importance, were responsible for employee satisfaction: the job itself, training, pay, advancement fairness, treatment with respect and dignity, teamwork, and the company's interest in employee well-being. Notice that training was cited second.

### 1. Motivating Salespeople through Development

Behavior is not random, it's caused; and at different career stages a salesperson has different needs. A top salesperson knows her worth and doesn't want to be held back from further development. Sales people will also compare their treatment to that of 'equitable others' (Adams' Equity Theory). If treatment is perceived to be inequitable, they will become demotivated. Star performers have an intense drive to win and thrive on the possibility of impacting on the performance of their organisation. However in a slump, their earning potential may have declined; so by increasing their territory and field of responsibility, their morale and self-esteem is reignited. Customers sense this *motivation*, and it has a deep influence on their purchasing decisions. Here are a few more ideas to develop your team:

- A top sales manager should spend about 30% of their day selling with their team and doing on-the-job coaching. This *engagement* leads to bottom line returns<sup>2</sup>, less staff turnover and increased customer satisfaction. Engagement not only allows you to keep a finger on the market's pulse and crack more deals, but also allows you to lead by example. Imagine how well you could chair your sales meetings if you did this? This hands-on approach motivates salespeople by giving them regular feedback and directs effort by highlighting which products should receive the most attention. It provides *standards for performance evaluation* and allows the manager to focus on staff that are under performing on the three different types of sales quotas - sales *volume*, *profit/GP%* and/or *activities*. Managers can then go on calls with these top or under-performers to observe their techniques.
- Your job and career may depend on understanding the psychology of your salespeople - what drives them at different career stages? Always be alert for top

performers who have a desire to move to the next level, and realistically design a career path for them. Top salespeople love a challenge and the opportunity to perform.

- To improve their ability, always determine everyone's specific formal training needs. Empower the experienced member, and get them to use their superior skills to develop the rest of the team.
- Recognise top performers by awarding them with prizes or gifts at your official annual recognition awards evening.
- Well executed, sales managers should also be rewarded for developing their team.

### 2. Motivation through Leadership

A feeble knee-jerk reaction to a downswing is to drive your staff harder. Whatever you do, getting people motivated to implement your new exciting vision requires strong leadership. Don't forget that the formula for *performance = opportunity x ability x motivation*. But in reality too many sales managers are consumed by administration; in a recession they need to integrate themselves back into the sales force to influence and inspire their actions – through personal demonstration, this will reignite a winning atmosphere to tackle change in a challenging economic climate. Leading by example also gives the sales manager *legitimate*, *expertise* and *relating/friendship* power.

- Spend time strategising and planning with your team. Tap into your salespeople and customers minds to find the best opportunities. This research will equate to the right downturn product range and thus improve your competitive advantage.
- By group consensus, get your entire team to buy-in to a new compelling *vision* for the sales department. Once all have endorsed the new way forward, write up your detailed *mission* of how to achieve it. To mobilize the entire team, objectives must be strategically meaningful - this *value congruence* of everyone striving for the same *core purpose and objectives*, is motivational and empowering to the team. Agree on each regions objectives, issues and plan.
- Be careful of too much internal competition vs. cooperation amongst sales folk. In her book *Hot Spots*, "Why some companies buzz with energy and innovation – and others don't" (2007), Lynda Gratton easily convinces us that a *too highly individually* incentivised employee will be tempted to *knowledge hoard* and not co-operate with the team. It's therefore apparent after reading her book that sales managers need to cleverly incentivise the team too. It's not all about great individuals, but great relationships *between* great people.

### 3. Change Management is Crucial in a Downturn

*"The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails."* William Ward

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One study estimated that less than 10% of strategies are effectively implemented. Another study revealed that CEOs mistakenly believed that their failure was due to bad strategy, but in reality 70% of the CEO's just did not implement the strategy. Not surprisingly, it's estimated that only 20% of employees are change-friendly<sup>3</sup>, 50% are 'fence sitters' and 30% resist change and will even attempt to make the sales manager's initiative fail. A recent global study<sup>4</sup> of 3623 managers indicates that 40% of executives are resistant to change during a stressful recession – this is probably because about 30% of executives are not equipped to execute change, mainly due to their reluctance to attend training. So then how will you get your staff to buy-in, let alone implement the solution? The sales manager must be trusted – but trust, like respect, is earned. Top sales managers know the ropes and can show the others the swinging maneuvers - they've been there and can now confidently show the way.

So here's the plan. Firstly the new environment must be *assessed*, and the strategy *redesigned*. The team should be skilled up, and the sales process redesigned inline with redefined customer segments. The next step is to find *measurement metrics* (sales volume, profit targets and activities) against which to evaluate the change-programmes' success. The sales manager should then develop new *sales support initiatives* to support the change. Examples include: strategic sessions, training (i.e. key account management and negotiation skills), coaching, meaningful incentives, and team selling tactics. Finally *implementation* should start with a *pilot test* programme. Once there is buy-in to the change programme, the successful pilot programme can be rolled out nationally. But remember that a leader keeps their followers' 'chins-up' – excited about the vision; and a manager keeps their 'chins-down' – energised to implement the mission. Thus you need to know when to lead and when to manage.

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1. J Heskett, T Jones, G Lovemore, W Sasser & L Schlesinger, "Putting the Service Profit Chain to Work." Harvard Business Review, July/Aug 2008, p.123
2. Barbara Kiviat, "The Rage to Engage." Giving attention to workers can pay off as much as pay. Time, 28 April 2008, p.50
3. Price Pretchett, "Overcome Resistance." Executive Excellence, 14 (1997), pp. 13-14
4. <http://www.management-issues.com/> Study by Development Dimensions International (DDI) of 3 623 executives in 49 countries, which revealed a worrying lack of ability amongst participants.

For further reading on Downturn Strategies. [www.markitects.za](http://www.markitects.za)

