

# Reengineering Sales Management Toward Self-Managed Sales Forces

## Part One

By: Steven Power

As I travel the world working with business owners and top sales management, every one of them plan to hire new salespeople this year. They also agree with current research which puts the first year cost of a new sales trainee at \$36,000 to \$55,000. Given the fact that turnover usually occurs late in the first year, it becomes painfully obvious how important recruiting is in protecting that investment.

Couple these observations with supporting research that the majority of sales revenue comes from a minority of the sales force; it becomes clear that management's mission is to find those top producers within the reservoir of candidates they interview. These top producers share certain characteristics that not only contribute to their success in the sales profession; but make them a joy to manage because they require so little maintenance. They are in effect self-managed, *independent producers*.

Some common characteristics of independent producers are ambition, creativity, self-confidence, alertness, unconventionality, intuitiveness, and a personal commitment to their success. It makes sense that sales managers commit to surrounding themselves with independent producers who require less management, leaving them more time for strategic planning and leading.

In this two part paper, I will present the notion that if sales management is to move beyond managing into leading they must reengineer their recruiting and managing processes toward building self-managed sales forces.

While the idea that a self-managed sales force sounds like nirvana, and could lead to less job security for sales management; the outcome is to increase sales while reducing turnover and expenses, two of the most rewarding and securing results a sales manager can produce.

While reengineering is a buzz word in business and management consulting, it is not a new concept. Albert Einstein observed that "the significant problems we face cannot be solved at the same level of thinking we were at when we created them". Moving toward self-managed sales forces requires that sales management challenge traditional methods of recruiting and managing, question current attitudes toward training and motivating and be open minded to unconventional ideas which can lead to breakthroughs.

## **Where to Begin**

Reengineering sales management with the outcome of moving toward self-managed sales forces starts with recruiting entrepreneurial people who have the natural behavior to manage their own sales efforts and thus produce extraordinary results on their own. My research of top independent producers (eagles) reveals that these people share five characteristics on which sales managers must focus during the recruiting process.

## **Independent Producers Love Selling**

For independent producers selling is a creative outlet like playing an instrument is to a musician or painting is to an artist. Selling allows them to express their creativity in a professional theater. It enables them to use their imagination to solve customer's problems while promoting themselves at the same time. Because of the inward satisfaction that comes from selling, they are at harmony with their work. When they encounter obstacles, set backs and even failures they persevere. Why? Because they love what they do. Selling is challenging work providing independence and high income potential. Selling allows them to work with other people in a professional and social environment providing the best of both worlds.

It is management's mission to commit to hiring only these people who have made the conscious decision to be a professional salesperson because it is what they love doing for a living. Rarely will a person succeed unless they love and therefore enjoy what they do. As Mark Twain put it, "The higher the pay in enjoyment the worker gets out of his labors, the higher shall be his pay in money also".

## **Independent Producers Are Driven From Within**

Self-starters have an inner drive to achieve and to perform to their potential. They strive to learn new techniques, to improve their performance and are rarely satisfied with their results; even if those results are well above average. People who are driven from within believe in themselves. They dream no small dreams and see no limits to what they can accomplish.

Independent producers create their own sales contest. Their life is a contest and their independence and lifestyle is the prize. Their source of motivation transcends a 30 day sales contest, which matters little, compared to the lifestyle they wish to create for themselves. Sales incentives offer material objects that drive people from the outside while independent producers have a personal vision which drives them from the inside.

Sales managers must commit to hiring people who are on a personal mission. These people have an internal engine that drives them through difficult times, gives them purpose in their activities and power to act. It creates the commitment that is at the heart of so many successful people. A personal mission creates the need to manage time and stay urgent. In short, these people are hungry.

By recruiting people who are on a personal mission, sales managers will save themselves time and money in trying to motivate their sales force in the long run. They will free themselves from the seemingly endless negotiations that are part of a culture of salespeople who are driven from outside influences such as contests and quick hit incentives which produce the ups and downs associated with temporary motivational techniques.

### **Independent Producers Are Self-Trained (Naturals)**

Sales managers, coaches and music teachers are always on the look out for *natural talent*. Managers, coaches and teachers know that *naturals* will not only succeed but will go well beyond traditional levels of performance into extraordinary performance with the proper training. They also know that these students are self-motivated to study and to learn. They are driven to improve because improvement means they can accomplish their personal outcomes.

To a large degree independent producers are self-trained. Many independent producers don't fit sales management's traditional profile of a team player. They are often loaners who engage in solo endeavors such as triathlons, skiing, surfing, and golf—none of which require team training or team practice sessions. Many top producers learn their skills with little formal instruction. They observe someone who is getting desired results and they just go do it!

Self-trainers accelerate the time frame between sales training and production because they are eager to try what they've learned. They don't hesitate, over prepare and over analyze every little detail of the sales process making sure that they are completely comfortable with the techniques before they attempt to execute. They just do it. If they don't execute perfectly in the first few attempts they don't throw the training out and wing it. They keep making subtle adjustments until they get the methods down generating the desired results.

In the hiring process sales managers must be on the look out for naturals. They must seek candidates who have demonstrated a track record of training themselves. They must ask questions that determine the candidate's desire to learn, their natural learning style and their attitude toward taking responsibility for training themselves.

## **Independent Producers Are Self-Managed**

If sales management is to move toward self-managed sales forces they must hire self-managed people. Those independent people who have experience in taking responsibility for themselves and managing their own activity.

Self-managed people show an independent spirit. These people don't always fit the corporate mold. They may see little value in meetings, sales activity tracking or paperwork. Instinctively these people are good planners and are highly organized. They know how to prioritize essential activities that influence results and then execute around their priorities.

A good interviewing process will enable sales managers to determine the candidate's ability to manage themselves. The interview should focus on letting the candidate describe their prospecting methods, personal organization and time management systems, knowledge of the sales process and their methods for tracking their prospects.

Management must focus on recruiting people with experience in independence. People who have held jobs where little management was provided and yet they were successful. People who self-manage their personal lives on a daily basis by successfully managing multiple priorities like work, family, exercise, personal time and personal development.

Sales managers who wish to develop self-managed sales forces must recruit people who enjoy working on their own and don't require a lot of one-on-one attention. If a candidate's favorite work experience and past success reveal they have the entrepreneurial spirit, self-confidence and work ethic to manage themselves— hire them.

## **Independent Producers Are Intensely Competitive**

Every recruiting endeavor begins with the objective of finding and hiring a winner. Sales managers understand the intensely competitive nature of their business and strive to build a winning sales force that can crush the competition. To this end sales managers must hire intensely competitive people.

Top producers are not only competitive, but are addicted to winning and loath losing. Winners repeal rejection because the long term prize is greater than any short term defeat. Winning keeps them coming back for more sales.

Sales managers must shed traditional ideas of what a competitive candidate looks like. The all-star athlete, the ambitious college graduate and ex-marine don't automatically have what it takes to compete in the world of business. Selling is not a game, not a tidy learning process conducted in a sanitized environment or a highly structured organization. Case in point –Bill Gates, a poker playing Harvard drop-out, probably wouldn't fit the corporate mold as an intensely competitive person at first glance, but there's not a competitor in the world that looks forward to going head-to-head with him.

Competitive traits are developed early in life and a good interview will focus on the candidate's early successes. Competition also means losing. Good competitors and successful salespeople recover from losses and move on. The interview should also focus on the candidate's experiences in losing and recovery as well as their winning patterns.

A competitive spirit is something people either have or don't have by the time they get in front of the recruiter for an interview. If you don't sense that candidates have it, don't think you can provide it for them once they come on board with contests, incentives and motivational techniques. On the other hand if candidates have a competitive spirit, but don't harbor the other four traits presented here don't assume that competitive spirit alone will guarantee success.

## **Conclusion**

It is a truism that people rarely succeed at anything unless they enjoy it. Job satisfaction creates energy and that energy, combined with personal vision, creates an inner power to overcome all odds and persevere. The student with the inner desire to improve and natural talent to develop makes the best training experience for the master who teaches. Those individuals, who take responsibility for their own attitude, act accordingly to manage themselves and are intuitive competitors need only a supportive and consultative manager to succeed.

Today's sales environment does not have room for social programs, behavior modification clinics or long lead time training programs. Sales managers will need to look at things differently, challenge conventional methods and break with tradition in order to build sales forces which require less management and leave them more time for strategic planning and leading.

Striving toward a self-managed sales force means surrounding yourself with mature, self-motivated people and then supporting them with programs and tools to help them reach their potential. Beyond programs and tools managers must also offer expertise.

Sales managers can save themselves a lot of time, money and frustration by recruiting and hiring people who will, by nature and by inner drive, accelerate the time it takes to get sales results; thus reducing turnover. The right hires will quickly develop into producers and go on to become truly independent producers; which makes it easy for managers to truly love what they do and as a result, be successful.

## ***Real World Implementation Techniques***

OK, this sounds great theoretically, but how do I implement these ideas into my recruiting and hiring process to build a self-managed sales force?

### **1) Hire People Who Love Selling**

- Hire only experienced sales people who have made a commitment to the sales profession for a period of three years or more. It's OK and even preferable if this is their second or third sales job. This means they are coming to your organization with some well-rounded business perspective.
- Be on the look out for independent, ambitious, creative, and unconventional people who don't fit the corporate mold. Remember what Einstein said about looking at things the same old way!
- On the interview, ask these questions to determine the candidates' commitment to the sales profession:
  - If you knew you could be successful, what would you do for a living?
  - What does the sales profession provide for you that you can't get anywhere else?
  - Do you ever think about quitting the sales professional and getting into something else?
  - Give me an example of using your creativity and personality in your sales career.

### **2) Hire People Who Are On a Mission**

- Hire people who have already created a lifestyle for themselves and their family and need to sustain it or want to enhance it.
- On the interview, ask these questions to determine what drives the candidates:
  - What is the single most important thing that you want to accomplish that the sales profession will enable you to accomplish?
  - What personal goals have you set for yourself for the next year?
  - Are those goals supported by a written action plan with sales production as the fuel?

### **3) Hire Self-Trained People (*Naturals*)**

- On the interview, ask these questions to determine if candidates are sponges who love to learn and will work on their own to improve themselves:
  - What is one thing you do really well? How did you learn that skill?
  - What is the last book you read or seminar you attended? What have you done as a result?
  - Describe your favorite coach or instructor. What have you learned from that person?
  - What is the latest investment you've made in yourself?

### **4) Hire Proactive Self-Managers**

- On the interview ask these questions to determine if the candidates take responsibility for themselves :
  - Describe your typical sales day.
  - What do you think are the daily activities necessary for success in sales?
  - Show me your personal management tools such as your time management system, personal organizer or lap top computer. Explain how you stay organized and execute your priorities.
  - How do you secure your prospects?
  - Describe your sales process from start to finish.
  - Show me your contact management and territory management system.

### **5) Hire Intense Competitors**

- On the interview ask questions to determine the candidates' patterns for winning, loosing and recovering from loss.
  - Describe your earliest successes.
  - When did you first realize that you were a winner?
  - Describe your most competitive endeavor. How did you do?
  - What was your last failure? How did you recover?
  - When was the last time you got knocked down and had to get up and go back out to turn your situation around?

## ***Other “Get Real” Ideas for Real-World Applications***

### **1) Know What you’re Looking For Before You Go Shopping**

Define the specifications for success of your candidates before you begin interviewing. During the interview process constantly refer to this comprehensive job description which clearly defines the job, essential activities, outcomes, attitudes, skills, and knowledge necessary for success. Remember; never share your job description (Success Profile) with candidates prior to the interview. They will project themselves into the job and role play the entire time.

### **2) Have A Great Interview Process**

Your list of interview questions is your greatest asset in the interviewing process. The candidates’ answers will tell you if they meet the success specifications in your job description and if they are self-managed people or if they will need a lot of one-on-one attention. Explore the environment of the candidate’s successes. Does it match yours? Is their sales process relevant to yours? Do they call on the same level of decision maker, sell products or services of similar expense, is their compensation plan relevant to yours? If the candidate has quick answers and can go beyond superficial conversation into layered answers with depth you have a winner. If they look like a deer in headlights, put on the brakes!

### **3) Where Do I Find Self-Managed Salespeople?**

Remember, your current customers see salespeople every day! Buyers see telecommunication, computer, real estate, insurance, financial services and office technology sellers constantly. Develop relationships with your customers who will be on the look out for you.

Your vendors and suppliers also see salesperson’s everyday. Your attorney, CPA, insurance broker, banker, and printer all meet salespeople in both professional and social settings.

Start a generous bounty program to motivate your people to help you. Your current self-managed salespeople meet other salespeople daily in professional and social settings and their neighborhoods.

# Reengineering Sales Management Toward Self-Managed Sales Forces

## Part Two

**By: Steven Power**

In part one of this two part paper I presented the concept of rethinking and reengineering the sales management process toward building self-managed sales forces. The focus in part one was recruiting, selecting, and hiring self-managed people. In part two, I will present ideas on how to develop these people into truly independent producers and answer questions and challenges which are raised when a manager considers hiring self-managed people.

Does hiring self-managed people mean that sales managers can assume a *laze faire* management style? Does developing independent producers mean subscribing to the latest buzz words like *empowering* sales people? If a manager hires self-managed people, does the traditional process of train, manage, and motivate become obsolete?

Reengineering sales management means rethinking and streamlining the traditional management process to fit self-managed people. The idea is to leverage their strengths and to develop them to do what they love doing—that is selling as independent producers. When sales managers are successful at surrounding themselves with self-managed, independent producers; they will have more time to leverage their strengths and do what they love to do—strategic planning and leading.

Reengineering sales management begins with a shift in attitude from controlling, managing and directing subordinates to supporting, coaching and consulting independent producers. If you have hired self-managed, independent producers; you must realize that they have the maturity, judgment and motivation to carry out their responsibilities. They should be treated as business partners, not corporate drones.

## Real World Training

The notion that self-trained naturals won't benefit from formal training is absurd. Tiger Woods is certainly a *natural* yet he employs an entourage of personal trainers and coaches and participates in formal training sessions. Training allows even top producers to hone their skills and to achieve improved performance, thus improved results.

If sales management is to embrace the concept of developing self-trained, independent producers they must rethink many traditional training methods. Self-trainers respond to highly interactive training which allows them hands on participation. They want to get into action quickly and to immerse themselves in the actual selling process. Self-trainers learn from observing other independent producers, self-paced study and in the field on a sale by sale basis.

Two real-world training methods which provide high impact learning experiences are one-on-one account strategy sessions and field ride-outs. While these are not innovative methods both are critical in the development of independent producers, fit their learning style perfectly and will have much more impact than sanitized classroom training.

Perhaps the most profound training occurs in one-on-one account strategy sessions. When managers review each account in which salespeople are engaged and provides strategy on how to meet the prospect's needs, outsell the competition and put the deal together; this is pure sales training at its best. In this real world scenario salespeople are listening to the training with a special intensity because it applies to their world and their commission is riding on the outcome.

A simple field ride-out also provides a real world training experience for self-trainers. These occasions give managers an opportunity to model their expertise as well as to observe salespeople in action and to provide immediate feedback and coaching.

Sales managers can also observe where salespeople need specific training and if strategies provided in the account strategy sessions are making it into the field. It is critical that managers do not strip power away from their salespeople on joint calls. Whenever possible they must approach these calls as peers in the prospect's eyes.

## From Manager to Coach

While the word *coaching* may be over used in management circles, it certainly is an appropriate replacement for the long over used concept of management. By definition, the word coach translates to instructor and trainer. The word manage means to control, direct, to have charge over. Which term implies the most job satisfaction to both parties? Which sounds like it would provide energy versus drain energy? Which would deliver the best results toward developing a self-managed sales force?

Reengineering sales management requires a shift from controlling and manipulating subordinates to supporting and empowering independent producers. Let's take traditional management functions like forecasting, quotas and performance evaluations as examples.

In traditional forecasting salespeople are conditioned to project sales which reflect quota revenue instead of real world sales forecasts. Why? Because salespeople know better than to forecast sales below quota— that only brings on heat from the sales manager.

Traditionally, quotas are set by management with little or no input or involvement on the part of salespeople who are responsible for achieving quota. It's no surprise that quota is usually perceived as an arbitrary number and is often met with skepticism and revolt.

Performance evaluations are usually lopsided conversations in which the manager reviews salespeople's numbers and provides a unilateral, directive prescription for improvement. Combined, these traditional management functions often add up to nothing more than a giant cat and mouse game with little or no impact on improving results.

In working with self-managed, independent producers; sales managers must get their people involved in the processes of forecasting, income planning (quotas) and performance reviews. Self-managed people must be trained to forecast, establish sales targets, measure and monitor their own performance and participate in action planning toward improvement. Once trained in these functions, they must be provided with tools to execute this process on their own and then be prepared to report their progress and results to sales management.

Independent producers must have a process and a tool to identify and track prospects 30-60-90 days in advance. In the account strategy sessions the coach can provide strategies to help move these accounts through the sales process. If there aren't enough prospects in the forecast, the coach can then request from the salespeople a marketing action plan designed to fill the pipeline.

Consider personal income planning as an alternative to quotas. This process engages salespeople in setting their own sales production targets according to their desired earnings. Have salespeople determine their income goal each quarter and then compute the necessary sales production to achieve that income. Then, have them define the necessary activity to hit *their numbers*. Don't be surprised if their income plan exceeds your quotas!

Since we're thinking a bit recklessly, consider having your self-managed people measure and monitor their own performance and present their performance evaluation to you! Just like golfers who keep their own score card, have your people log statistical data on a score card which identifies their income plan (par), their activity (strokes) and their results (score). Once a month have them present their score card and formally present their own performance review complete with a personal action plan for the upcoming month.

It is at this point that the forecast, income plan and scorecard intersect to become an integrated process for self-managed people. The idea is that involvement equals ownership, which equals empowerment, which leads to results.

## **Don't Motivate Teams, Motivate Individuals**

Since independent producers are motivated from within, driven by an inner vision of the lifestyle they wish to create for themselves; building self-managed sales forces requires management to rethink traditional motivational techniques.

Many sales contests attempt to motivate the entire sales team by pitting sales people against each other in competition. While this may create a *handful* of winners, it also creates a *roomful* of losers. This approach also undermines personal motivation and can create animosity among the team members.

At best contests usually have temporary results deserving the reputation as inspirations versus motivations. Sales contests can actually create an emotional let down and quite possibly a sales slump once they are over. These motivational techniques are short lived because, by design, they attempt to drive salespeople from the outside for a limited time frame.

Being driven from the inside, self-managed people covet prizes like independence, lifestyle perks and recognition for their hard work and top performance. I suggest that sales leaders let these people roam free, pay them a king's ransom for top performance and recognize them publicly for their victories. Give them control over their schedule, help them create a lifestyle of treasures and leisure and present them their bounties in front of their peers, family members and friends.

Sales leaders must get to know their salespeople's personal goals intimately; then package the sales profession, the company and each prospect as the salesperson's vehicle for reaching these goals. In this relationship both the coach and the salespeople work together understanding that each sale is a stepping stone leading toward a vacation, a membership to the country club, a new boat or a child's college education. There is no sales contest that will drive salespeople harder than the one they have created for themselves.

## **Conclusion**

Reengineering sales management with the outcome of developing self-managed sales forces doesn't mean throwing out all traditional management methods. Reengineering does mean challenging, questioning, rethinking traditional methods and innovating new ways of creating independence for both the salespeople and the leader.

If some of the ideas here sound reckless, ask yourself, "Am I getting the desired results using my current methods? Have the traditional management methods been faithful in delivering self-managed, independent producers?" If the answers to these questions are "No" then ponder this definition of insanity—"Doing the same thing over and over again, yet expecting different results."

If you want a self-managed sales force hire independent people, encourage their independence, allow them to manage themselves and pay them in freedom to do what they love to do—sell, so you can do what you love to do—lead.

## Real World Implementation Techniques

OK, this sounds great theoretically, but how do I implement these ideas into my training, managing and motivating process to build a self-managed sales force?

### Provide Real World Training via Account Strategy Sessions

- Have a comprehensive account profile to facilitate account strategy sessions. A profile will prompt and support salespeople to gather vital data on sales calls and organize it for quick review with the manager. The Account Profile is a *snap shot* of the account which provides information on the prospect's objectives, challenges, needs, applications and current costs. This tool can also contain a competitive analysis, calendar of events and a strategy log.
- During the account strategy sessions ask your salespeople these questions to determine what strategy is appropriate:
  - What is the main reason this prospect should change vendors to do business with us?
  - What are the customer's overall objectives and challenges?
  - Who are you working with at this account, who are their internal customers and what are the motives of those internal customers?
  - What could go wrong at this account, how could we lose the business?
  - What objections do you anticipate?
  - What could the competition do or offer that would knock us out?
  - On what basis can you cost justify our recommendation?
- Determine if there are enough accounts in process to result in a good month for your salespeople. If not, then the focus of the account strategy must shift to how your salespeople can fill the pipeline.

## **Field Ride-Outs**

- Team–up with salespeople on a regular basis for ride-outs to accounts which are in various stages of the sales cycle.
- Before each sales call define the objectives for the call and the roles each of you will assume during the call. The sales leader’s role is to model expertise in an area in which the salespeople need training and in turn to observe them in action, identifying their strengths and areas they need to improve.
- As a post call review ask these questions:
  - What did you learn about:
    - The prospect?
    - The competition?
    - Our products, services and our company?
  - What was the turning point of the sales call?
  - What would you do differently?
  - What should your next step be?
  - How can I help on this account?

## **Coaching Toward Self-Management**

- Train your salespeople to identify and manage prospects 30-60-90 days in advance. Provide them with a tool to log these prospects and incorporate a 90 day outlook review into your strategy sessions. If there are not enough prospects in the pipeline help your salespeople design a personal marketing plan to include prospecting, networking and securing referrals.
- Train your salespeople to conduct a 30-60-90 day income plan which identifies their desired earnings, the sales revenue or profits necessary to hit that target and the number of qualified prospects necessary to achieve that number. Now, compare the income plan with the forecast to determine if there is enough fuel in the tank to reach the destination. If not, the conversation shifts to what marketing activity is necessary to meet the desired results.
- Become a personal trainer when it comes to performance reviews. Create a score card for your salespeople which identifies their track record for activity and results. Show the number of appointments with qualified prospects, the number of presentations or proposals and sales closes with total sales revenues or profits, earnings per month and earnings year to date. Now compare the score card with the income plan to help your salespeople track their performance as compared to their expectations.

## **Motivating Individuals**

- Reward independent producers with independence, lifestyle perks and recognition.
  - Give them a Friday off once a month.
  - Let them work from their home a few days a month.
  - Give them trophies that they can share with their family and friends.
    - A private limo and dinner out for six people (Not including you!).
    - The use of a luxury car for a month (Rent one!).
    - Send their spouse a special gift (Something they can show off!).
- Let the sales person pick a target market that they love and let them sell to it exclusively. Here are some examples I've seen work.
  - Former school teacher selling to public and private schools.
  - Former youth pastor selling to churches and non-profits.
  - Week-end warrior selling to sporting clubs, fitness clubs, and sports leagues.
  - Former paralegal selling to law firms.

Remember, reengineering sales management means rethinking and streamlining the traditional management process to fit self-managed people. Watch out when you find the right combination! They will sell like crazy and love every minute of it!