

YOUR FIRST 18 MONTHS AS A NEW SALES LEADER

What YOU need to do before the honeymoon is over!

By Duane Sparks, Chairman The Sales Board, Inc.





Welcome to what many claim is the reality of the new sales leader. If you have just been hired or promoted into a high-level sales management job, your life expectancy is about 18 months.

That is where recent studies by Forrester Research and other investigators place the average tenure of new sales leaders. The figure is down from 24 months just a couple of years ago. And note that if 18 months is the average, then an awful lot of new sales leaders don't last even that long. Many don't make it past the honeymoon period, which is between 3 and 6 months.

This isn't good for anyone. What company could benefit from such rapid turnover at the top? What sales team could hit its stride? And, of course, what good does it do you to have a series of short-term jobs on your resume? It may be true that C-level folks can no longer throw those resumes in the circular file automatically, since there are so many of them. But believe me, if your history makes you look like a love-'em-and-leave-'em type, the urge to discard your resume is still there.



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AVERAGE TENURE OF A NEW SALES LEADER



Here's what the typical tenure for a newly hired sales leader looks like.

My company, The Sales Board, has recently taken a very close look at this tenure issue. During the past 12 months, 60% of our new business has come from people like you, who are starting new jobs as sales leaders. That's up from 40% just a year ago. We've made a lot of new sales execs very happy lately. They are still in their leadership positions and doing great.

Since 1990, as a matter of fact, The Sales Board has worked with nearly 2,000 newly hired sales executives. I want to give you my best advice about what a new leader can do to become highly successful when the clock is ticking. What are the most important things you can do right away to avoid the 18-month revolving door? Let's begin with a question.

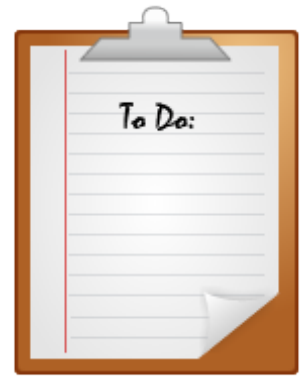
WHY WERE YOU HIRED ANYWAY?

I'm sure you have heard a lot of reasons why your new position became available and what the expectations are for you. No doubt several priorities have been laid out by the people who hired you. Let me guess: Grow market share, improve margins, increase account penetration, identify ideal customers, define sales strategy, automate sales processes, expand product-line sales, and more?

Most of the current research on sales-leadership tenure claims that certain sales-operations priorities are solutions to the problem of 18-month turnover:

What are the most important things you can do right away to avoid the 18-month revolving door?

- ✓ Improve account planning
- ✓ Increase forecast accuracy
- ✓ Redesign sales process
- ✓ Upgrade sales talent
- ✓ Better performance reporting
- ✓ Increase CRM compliance
- ✓ Track sales activity
- ✓ Improve quota accuracy



I can't argue with the items on that list. But here's my problem: They dance around the fundamental reason why you were hired in the first place.

If you ask the top executives who hired you what constitutes success, I'm sure you'll get several answers that describe their high expectations. You'll hear impressive-sounding phrases like "optimize the sales processes," "align the sales organization," and "standardize sales strategies." But in the end, your bosses want you to do all of those things for one reason and one reason only: so that **SALES WILL GROW**.



Your survival strategy needs to point you in the direction of what makes sales growth happen. Otherwise, you'll hear a different phrase: "As sales leader you did a lot of good things, but sales didn't improve, so it's time for a change."

I'm reminded of a cartoon I once saw. It shows a boss holding a downward-trending sales chart. He's telling the salesperson, "Sales have fallen to a point where I don't like you anymore."

Sad but true. Regardless of any other great things you do, if you don't grow sales in roughly 18 months, you're doomed.

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WHERE SHOULD YOU START?

Maybe you walked into your new job to find a sales function that seems downright broken. Maybe every time you turn over a rock you find another ghastly problem. Maybe leading this new sales team is like herding cats.

Or, maybe you're luckier. Your new company isn't actually dysfunctional.

Only a few pieces are missing. Just a couple of things seem to need drastic changes.

In either case, where do you place your priorities? What is the single most important thing you can do right now to begin to make sales revenue grow and ensure that your personal stock goes up, not down?

Suppose we approach the question this way: What is your company's greatest asset? Much has been written on the topic. Here are some popular answers:

Your People (most frequent answer)

The Quality of Your Brand

Your Financial Assets

A Great Strategic Plan

Your Customers

Social Media Communities (newest answer)

I say, "None of the above." My answer is that any company's greatest asset is (drum roll please)... **The Untapped Potential in its Sales Force.**

I've seen this proven over and over again. Any company can grow at a rate substantially higher than its industry's average when it unleashes the potential that is locked inside its sales organization.



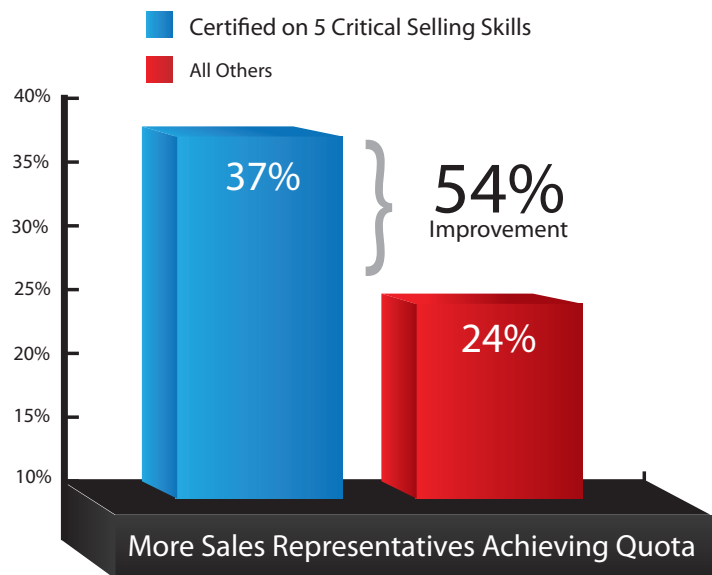
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How do I know this, aside from through personal experience? Industry analysts from Aberdeen Research say that today less than 50% of sales reps are achieving their quota. A 2011 study by Aberdeen identified certain Best in Class (BIC) companies. BIC companies were distinguished from average ones by the fact that a far higher percentage of their salespeople improved, year over year, in achieving their annual sales quotas. The factor that enabled that improvement, the study found, was that salespeople in the BIC companies became certified in five specific critical selling skills. The certified salespeople improved quota achievement by 54% more than all others in the Aberdeen study. I'll talk more about these critical skills later.

Look at the chart, and do the math. Suppose you have 100 sales reps, and half of them are achieving quota. If just five key skills are mastered, you could have 77 people (54% more) performing at quota.

Moving that many salespeople from poor performance to above quota has a huge impact on everything in the company. Sales success heals a lot of wounds and gives everyone positive things to think about. By “everyone,” I mean the C level, your sales

team, operations, customer service, and the rest of the organization. No other performance-improvement initiative can deliver this much ROI or create this much happiness. That's why I say that the untapped potential of your sales force is, hands down, your company's greatest asset.



Source: 2011 Aberdeen Group Research Brief

5 GREAT IDEAS FOR TAPPING YOUR COMPANY'S HIDDEN SALES POTENTIAL (AND THE PITFALLS TO ESCAPE)

As a new sales leader you'll have a lot to do. I'm going to outline what I've learned are the five most important things to do with your time. I'll also explain some dangers to avoid while you're at it.



Develop YOUR Sales Culture

The sales culture of a company is the set of shared attitudes, values, goals, and practices that characterize how sales happen. Every company has a sales culture, for better or worse. Most need significant changes in order to tap available sales potential.

Your sales culture can make or break your organization. Studies show that companies routinely outperform their competitors by as much as 200% with a fully functioning sales culture that is aligned with their business goals. To achieve results like this, you have to figure out what your sales culture is, decide what it should be, and guide everyone from where you are to where you want to be.

You might need some help doing this. Since most sales organizations are made up of people hired from different companies, each new employee brings a new set of values and practices. It would be a miracle if your current sales culture happened to be optimum.



PITFALL: EVERYONE in the company needs to be part of its sales culture. The culture should not be isolated inside the sales organization. When it is, the way sales happen remains a mystery to everyone except the salespeople. How can all of the managers and employees who support your sales team and interact with your customers be most helpful in maximizing sales opportunities? They can't. Not if they don't know how.

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You'll be surprised how helpful your non-quota-bearing people can be in helping your company accomplish its sales goals. But they need to participate in the development of your Best Sales Practices, and they need to be trained on your Sales Process (see Great Idea #2).



PITFALL: As part of developing your sales culture, you will have to assess the skills of your current sales force. In doing so, be sure to use a validated testing instrument. Only a validated assessment will be credible to those who take it. Credibility is necessary to get buy-in—and buy-in is crucial. You have to learn where everyone stands and what deficiencies exist in the skill sets that are needed to improve sales performance. Then you need people's genuine commitment to learn and practice new skills. You will only get that kind of buy-in if everyone accepts the need to change and understands exactly what needs to be changed.

Your sales force and those who surround your sales force will be eager to create a new sales culture once the compelling reasons to do it have been identified and agreed upon. It is much harder to DISAGREE that new skills are needed when a validated instrument has shown the deficiency.



Define and Document YOUR Sales Process

Sounds simple, doesn't it? But everybody seems to get this wrong. My top three sales-leadership consultants, combined, have completed consulting engagements for more than 800 companies in the past five years. In every case, defining the sales process was part of the mission. Those consultants agree that they have never yet found a company that has a well-defined and accurate sales process prior to our consulting. Some don't have any formal sales process. The rest have made serious mistakes in defining their process: too many stages, too few stages, or the wrong stages.



See how one new sales leader did it. Scan this code with your smart phone





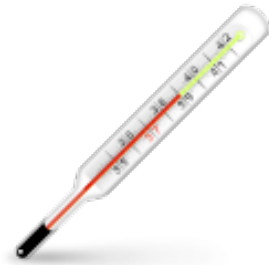
PITFALL: If you don't have this dialed in, everything else will suffer. What are some symptoms of poorly documented sell cycles? Inaccurate sales forecasts, dead weight in sales pipelines, proposals in a permanent state of limbo, slow sell-cycle time, CRM failure, and many others.

It takes some work and collaboration with your team to document your typical sales process. You may have more than one process, depending on what you sell. But common Milestones will be seen in each one. We've fixed thousands of these for our customers. Here's a simple example of what needs to be done to define and document your sales cycle:

Milestone 1 <i>Initial Contact</i>	Commitment Objective <i>Set Needs Analysis Meeting</i>	Key Player/Title/Role <input type="checkbox"/> End User <input checked="" type="checkbox"/> Specialist <input type="checkbox"/> UDM
Milestone 2 <i>Needs Analysis Meeting</i>	Commitment Objective <i>Schedule Product Demonstration</i>	Key Player/Title/Role <input checked="" type="checkbox"/> End User <input checked="" type="checkbox"/> Specialist <input type="checkbox"/> UDM
Milestone 3 <i>Present Demo</i>	Commitment Objective <i>Agree to Add Decision-Maker(s)</i>	Key Player/Title/Role <input checked="" type="checkbox"/> End User <input checked="" type="checkbox"/> Specialist <input type="checkbox"/> UDM
Milestone 4 <i>Additional D-Maker Meeting</i>	Commitment Objective <i>Schedule Proposal Meeting</i>	Key Player/Title/Role <input type="checkbox"/> End User <input checked="" type="checkbox"/> Specialist <input checked="" type="checkbox"/> UDM
Milestone 5 <i>Proposal Meeting</i>	Commitment Objective <i>Gain Approval of Order</i>	Key Player/Title/Role <input type="checkbox"/> End User <input checked="" type="checkbox"/> Specialist <input checked="" type="checkbox"/> UDM



PITFALL: Is your team supposed to believe that one size really fits all? Of course not. Not every sale will happen in exactly the same way and follow the defined Milestones.



Symptoms of a poorly documented sell cycle

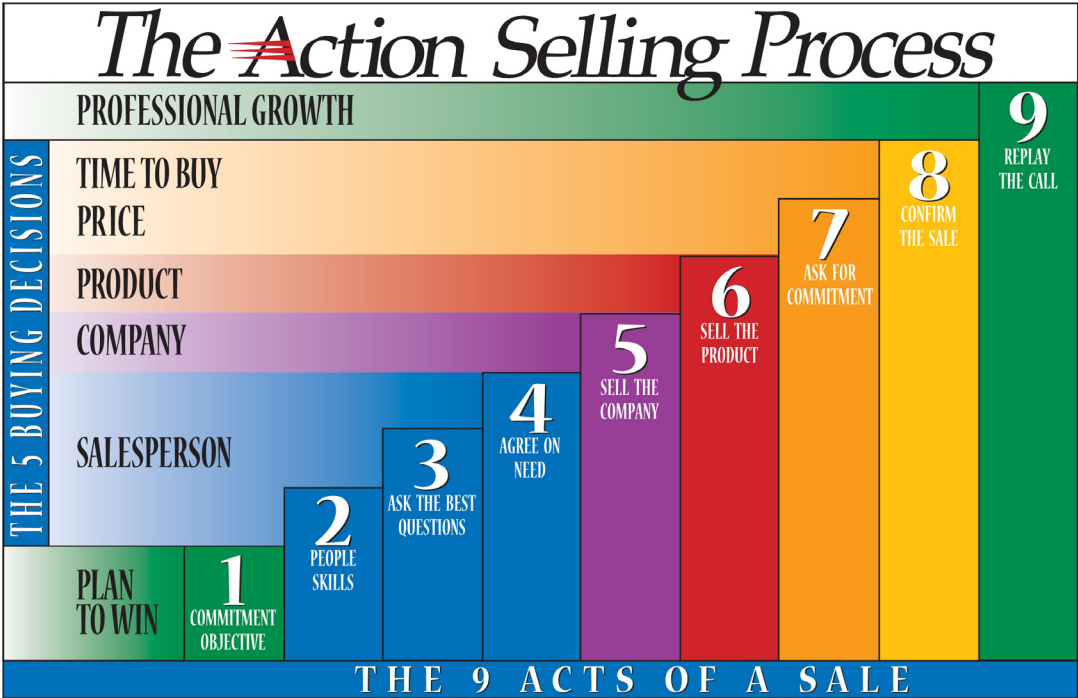
- Inaccurate sales forecasts
- Dead weight in sales pipelines
- Proposals in limbo
- Slow sell-cycle time
- CRM failure
- Many others

But a lot more of them will once your sales process is defined and documented. It becomes the path to follow that most often leads to a sale. You'll see clear consistencies in at least 85% of your selling situations.



Tie YOUR Sales Process to a Selling Procedure

Once you have your Sales Process documented, you're halfway to an effective model around which you can build a sales culture. Next you need to define what must happen during each Milestone to move the sales process forward to the next Milestone. Here is the model that we advocate because it works the best:





PITFALL: If salespeople can punch holes in the selling procedure that you're advocating, you're toast. Here's what to look for in a selling procedure:

1. **It has to be expressed visually. This makes it easier to teach and reinforce.**
2. **It has to be credible and logical. What's the research behind it? How well does it match what salespeople know works?**
3. **It has to be based on how buyers make their decisions. If it doesn't include the buyer in the process, run in the other direction.**
4. **You and your people must see how to use it to diagnose selling errors. If it's poorly documented, it isn't any good for that.**



PITFALL: If the procedure doesn't fit their actual selling situations, they'll refuse to use it. As in any other sale, the buyer (your sales team) must see the thing you are recommending as a solution to a need or problem that they already have agreed needs to be fixed.

The same applies to everyone who will be involved in the culture change. They need to see what you're trying to do as a benefit to them. What's more, the benefit of mastering a new system to generate sales has to be perceived as far outweighing the investment of time and effort it requires. Tie the needs assessment that you did in #1 above to the solution you recommend here in #3.



Involve YOUR Sales Managers in Developing Their People

You are employed by a company, but you work for a manager.

The same applies to every one of your salespeople. Frontline sales managers are a critically important driving force in any effort to change and improve sales performance. Gallup, the well-known research and consulting company, says that field sales managers are more important to driving sales-culture change than anyone else.

Whenever we find superstar salespeople we almost always find a great manager in the shadows. A few great managers are born (like a few great salespeople), but the rest are developed. You must give them the tools that allow them to coach their salespeople effectively.



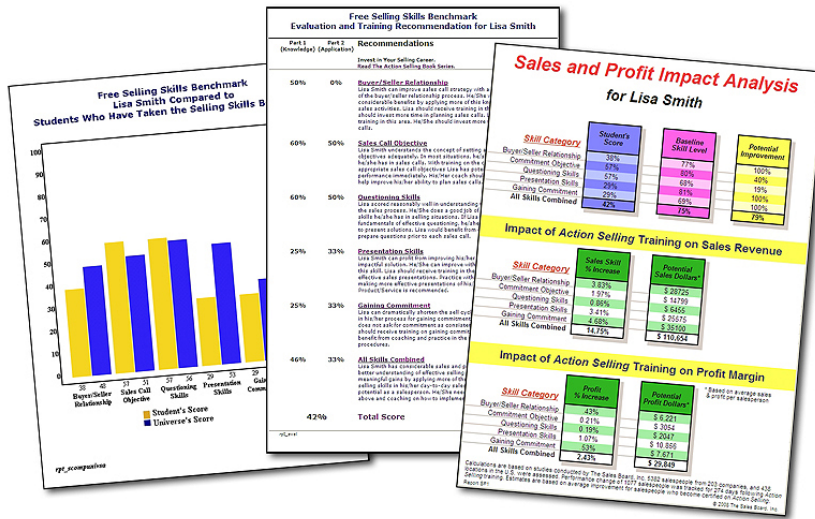
PITFALL: Failure to embed a procedure for field coaching will doom any sales-improvement effort that you initiate. Managers need at least as much training as the people who

work for them. They must be provided with easy-to-use coaching tools and training on how to use the tools.



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Validated Assessment Data Shows Where Improvement is Needed



Field managers also need detailed information from the skills assessments so that they understand how each salesperson's skills rank, as well as how their team compares to other teams. This forms the basis for improvement.



PITFALL: Without a system for reinforcement, the new sales culture won't stick. You can teach people all kinds of things, but none of it will transfer into the field in a

lasting way—not attitudes, values, goals, or behaviors—unless the training is reinforced on the job.

You must embed the sales culture throughout the company. It needs to be in your CRM and in the daily reporting of your sales team. It needs to be part of the language you speak. Everyone in the company needs to be able to tie success back to the sales-culture initiative so that the new way of doing things is viewed as essential to the company's future. Your reinforcement system encompasses all of that.

5

Hold EVERYONE Accountable for Sales Culture Development

If you want to develop a sustainable sales culture, you have to hold people accountable for the behaviors required by that culture. There must be standards, and everyone must see that the standards are important. Metrics, evaluations, scorecards, and progress reports are all examples of how to hold people accountable.

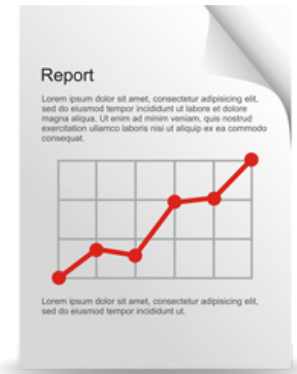
As far as the sales force is concerned, the best method involves validated assessments that measure both knowledge and the application of knowledge on the job. A “certification” score should be agreed upon so that everyone knows a certain standard must be achieved.



PITFALL: You can't expect to develop your sales culture on a hundred different fronts. Teach and reinforce a finite number of skills that make up the Best Practice behaviors

in your sales culture. We suggest that five is a manageable number of skills to develop. Here's our list of The 5 Critical Selling Skills to focus on:

1. **Buyer/Seller Relationship:** Only 18% of salespeople are able to differentiate from the competition through the relationship they develop with the customer.
2. **Sales Call Planning:** The most frequent mistake that all salespeople make is the failure to establish a clear Commitment Objective for sales calls.
3. **Questioning Skills:** 86% of salespeople need significant improvement in their questioning skills. Effective selling is about asking, not telling.
4. **Presentation Skills:** Great sales do not come from great “pitches.” Effective salespeople tie your company's capability to the needs of your customer.
5. **Gaining Commitment:** 62% of salespeople fail to Ask for Commitment on sales calls. Even fewer are able to handle a stall or an objection.



The 5 Critical Selling Skills

These five skills are teachable and measurable. When they are mastered, sales performance improves at a greater pace than it does if you teach any other skills.



PITFALL: If you can't measure it, it isn't worth doing.

Benchmark the skills of your sales force before you start the culture-change initiative. Then measure as you go. This level of accountability shows everyone that developing these skills is important. Also, everyone will know who is improving and who isn't.



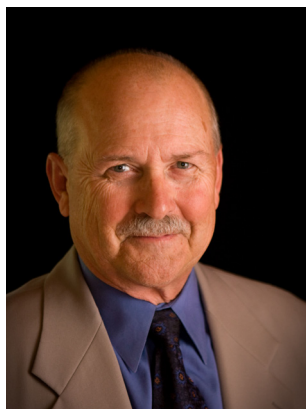
HOW'S YOUR JOB SECURITY?

Final thought: The only job security that anyone really has lies in their own skills, courage, and work ethic. Of these, the variable that you can continually improve is skills. Grow your skills every day, and you'll do just fine.



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ABOUT THE AUTHOR



Duane Sparks is chairman and founder of The Sales Board, a Minneapolis-based strategic sales training company that has trained and certified more than 400,000 salespeople in more than 3,500 groups in the system and skills of Action Selling™. Sparks has guided companies through every phase of business

development, from start-up, turnaround, survival and rapid growth.

Having written five sales books and personally facilitated more than 300 Action Selling™ training sessions, he continues to engage in the business and art of the strategic sales process.



Action Selling: *How To Sell Like A Professional, Even If You Think You Are One*

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Questions: *The Answer To Sales*

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*Learn how to develop
your sales culture.*

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