

# Sales Management Makes the Difference



by JOE RICKARD

**“Small business owners often are entrenched in the day-to-day business demands; therefore, they do not allocate enough time to manage their shops’ sales and marketing programs.”**

**M**ost successful shop owners build their company’s success with a thoughtfully crafted and executed sales management plan. Whether a company is small or large, looking to sell new products or services or develop new accounts, the fundamentals of managing salespeople remain the same. Shops that establish a predictable and consistent management system for their salespeople achieve greater sustained sales growth than shops that do not.

Shop owners who develop successful salespeople make the time to:

- Share the company’s mission and objectives with salespeople;
- Establish goals and performance standards and constantly check to see that they are accomplished;
- Develop sales plans;
- Track and analyze performance;
- Provide regular feedback and coaching;
- Reward and recognize salespeople;
- Review performance and change the sales management program if necessary; and
- Put in place a strong ongoing training program that will sharpen salespeople’s skills and motivate them to make new and extra calls.

## **Compensation, muscle management are not enough**

It is easy for shop owners to rely solely on compensation to motivate and manage salespeople. Good salespeople are heavily motivated by incentives. But, sustained revenue growth cannot be attained by compensation alone. Research studies of sales organizations reveal that a balanced blend of sales management and compensation control leads to the much desired and needed sustained revenue growth.

It is a common misconception that print shop owners and managers only need to set a time line and sales objectives to

create a successful sales management system. This is commonly referred to as “muscle management” or the “kick in pants” method. If a salesperson can’t make it, then fire or harass him or her. Marketing research reveals that this overbearing style is not effective and will eventually lead to frustration and failure.

Many small shop owners dislike the idea of creating a formal sales management structure. Small business owners often are entrenched in day-to-day business demands; therefore, they do not allocate enough time to manage their shops’ sales and marketing programs. In other cases, owners do not have the benefit of a sales background, so they delegate this important responsibility to others.

## **Why do companies fail in managing salespeople?**

In our observations of small printing companies, we have identified some troubling trends.

- Some shops do not implement an ongoing sales management control and process. Instead, a limited formal performance management process is utilized.
- Shop owners and managers often do not see the same strong correlation between commissions and perceived performance levels that their salespeople do.
- Management and salespeople have not agreed on the company’s value proposition. The customer does not receive a united message.
- Owners still see their companies as production focused and have not moved their shops to a sales-focused approach where everyone sells and promotes the company’s products.
- Management and salespeople perceive customer opportunities differently.
- There is little existing or new account development; most of the salespeople are spending their time with a small

number of accounts.

These findings will cause many companies to fail, but if small printing companies reevaluate their sales management practices, that doesn't have to happen.

The single most important factor in developing salespeople is the owner or immediate sales manager's skill and knowledge. Virtually all research studies identifying the root cause of poor sales performance and lost customers is management.

### **It is difficult to manage salespeople**

Why has it become more difficult to manage salespeople? The job and its requirements are changing. We have identified six major changes facing printing salespeople and their management.

- Customer expectations and requirements continue to rise. Geometric improvements in supply-chain management, purchasing processes and information availability have made customers more knowledgeable and demanding.
- There is a greater number of printing products and services. The development of digital technologies such as the Internet, variable-data printing, print on demand, digital color printing and digital photography are capabilities driving opportunities and change.
- Customers face an information overload. It is tougher to get the attention of customers. It is common for customers to receive more than 2,000 ad messages daily. In addition, many of the print providers we work with receive from 100 to 200 e-mail messages, 30 to 50 letters and 10 to 20 phone calls as well as participate in five to 10 face-to-face meetings, two to five group meetings and one to three Webcasts daily.
- Customers receive "just-in-time" responses for products and ser-

vices in many areas of their life. Whether it is online ordering or fast-food restaurants, customers not only expect but demand quick turnarounds.

- Customer decisions cycles are becoming longer. Tighter financial controls, greater financial oversight and a tough economy have caused printing companies to experience longer sales cycles.
- There is an overwhelming focus on cost. Web-enabled supply-chain management, overcapacity in the printing industry and more rigorous purchasing standards continue to drive down costs.

It never has been easy to manage salespeople. As journalist Thomas P. Murphy said, "In times of change and transition, management is the difference. Most business failures do not stem from bad times. They come from poor management; bad times just precipitate the crises."

The owners, managers and salespeople who adjust to the changing sales environment will reap the rewards of a growing economy. If the selling environment is changing then the management of the selling program must change as well. ●

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