

WHAT ARE YOU WORKING FOR?

By Troy Harrison

It's a common maxim that, in business and in sales, we get what we ask for. That's not true, at least normally. The truth is that we get what we *work* for. I'm not talking about working HARD – we all do that. Nor am I talking about working SMART, because that's a term that can be interpreted in many different ways. I'm talking about working INTENTIONALLY, and with the end in mind. That's what successful business owners and managers do.

Many times, I talk to business owners who may not be getting what they ASK for – particularly in sales – but they are getting what they WORK for. This came to mind recently when talking to a business owner who has been through three sales managers in the last five years, complaining that he couldn't find anyone who really was able to develop salespeople. Instead, he gets sales managers who focus their time on selling. This wins business but it doesn't make the company better.

In going through his past hiring efforts – from ads to interview questions – I quickly realized that he might not be getting what he asks for (he does ask for a sales manager who develops people), but he gets what he works for. Although he recognizes that the core of sales management is developing people, when it comes time to interview and hire, he focuses on candidates' sales ability and the time they spend closing sales.

Worse, his entire company culture is centered around selling and sales ability as the measurement of the worth of a sales manager. His salespeople constantly consider themselves to be in a contest of sales ability with the manager, and the sales manager is evaluated based in part on the number of deals he helps close. The compensation is heavily weighted toward individual production. Now I ask you – in this environment, what would you do? Would you focus on developing salespeople, or would you build your individual sales production? I think we know the answer to that one.

Or, consider another business owner whose company sells both reconditioned machines as well as new ones. When confronted with a low price/profit opportunity (which is a separate issue), the salespeople will lean toward selling a reconditioned machine, rather than a new one. Why? You've probably guessed it – they make more because they can generate a higher profit margin for the company and their own commissions with a reconditioned machine. No problem, right?

Actually there's a significant problem. The sale of a new machine is much more valuable to the company – they get rated on the sales of new machines by the manufacturer, and they get rebates. Every reconditioned machine sale actually works against them with their manufacturers. Yet, they still need to have reconditioned machines available for their customers. Again – he's getting what he works for (or in this case, pays for). The obvious solution is to change the compensation structure to compensate the salespeople based on the value of the sale to the company, which in this case is not necessarily the gross profit.

In both of these cases, the business owner was doing what's common in their respective industries, but not what matched up with their company's goals. They were certainly working hard. Some in their business would say that they were even working smart (admittedly, I wouldn't). But what they definitely weren't doing was working intentionally and with the end in mind. To do those things, you have to take a global, strategic view of your sales program.

Start with your eventual goals for the company. How do you want your company to progress? Define your goals for growth and profitability. My favorite measurement, by the way, is profit dollar gain year-over-year. I like that number because it's the only thing you can spend. You can't spend top line sales nor profit margin, but if you make \$100,000 more this year than last, you have \$100,000 more you can actually spend (or save, if you're responsible like that). Define where you want your business to go.

Next, break it down. How do all the pieces fit together? How many salespeople do you need in order to achieve those goals, and what level of performance do you need them to have? Define your gaps, and figure out how to fill them.

Next, define your KPI's (Key Performance Indicators) for every position. Are your KPI's matching up with what you need from the position? If your sales manager is really a "super salesperson," is that what you need from that position? If not, you need to retool your KPI's and match them up.

The point is to align all your goals and KPI's with your needs – then work toward that with a laser focus. In the first case we discussed, the solution for the business owner was to retool his hiring process to discover soft skills in hiring and then hire based on that. Once that's done, the compensation and evaluation structure needs to be aligned with the manager's achievement in management and development, not sales production. Finally, the salespeople need to be led to understand that the manager's job is not to sell, but to foster the development of the salespeople. Further, lead by example to show that everyone can learn and improve, and that the salespeople aren't competing with the manager.

It will be hard work. But it will also be intentional, and I have a feeling that he will get what he's looking for. And what he's WORKING for.

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