
Building a Winning Sales Management Team

Andris A. Zoltners
Prabhakant Sinha
Sally E. Lorimer

Excerpted from:

***Building a Winning Sales Management Team:
The Force Behind the Sales Force***

ISBN: 978-0-9853436-0-6

© 2012 ANDRIS A. ZOLTNER, PRABHAKANT SINHA, SALLY E. LORIMER. ALL RIGHTS RESERVED.

ZS Associates, Inc.

Contents

<i>Preface</i>	v
1 How a Vigorous Sales Management Team Helps You Win in the Marketplace	1
I Defining the First-Line Sales Manager's Job	23
2 Defining the Sales Manager's Role	27
3 Sizing and Structuring the Sales Management Team	49
4 Creating the Sales Manager Success Profile	75
II Creating a Strong First-Line Sales Management Team	91
5 Selecting the Best Sales Management Talent	95
6 Enhancing Sales Management Competencies	119
III Enabling the Right First-Line Sales Management Activity	141
7 Supporting Critical Sales Management Activities	145
8 Managing Sales Management Performance	171
9 Motivating and Rewarding Sales Management Success	193
10 The Sales Manager: An Essential Facilitator of Change	223
<i>The Path Forward: An Assessment Tool for Creating an Action Plan</i>	245
<i>Index</i>	255

Preface

Great salespeople are a key asset for a successful sales organization, but great *managers* of those salespeople are worth even more. That's why we call a winning sales management team "the force behind the sales force." If a company has a poor salesperson, it will lose market share in one territory. But if it has a weak first-line sales manager, it risks losing market share in all the territories that the manager is responsible for. In time, the salespeople in those territories will drift without guidance, disengage from their jobs, or lose motivation and allow their skills to plateau. Frequently, good salespeople who work for weak managers ultimately leave the company.

We believe that too many sales organizations underinvest in their sales management teams. We have observed companies focusing their sales force improvement efforts either toward the bottom of the sales organization to make salespeople more effective or toward the top of the organization to make sales executives savvier. Too little time and attention, and too few resources, are directed toward the first-line sales managers in the middle who are a critical link in the corporate chain and a key point of leverage for driving sales force performance.

The sales force is a key focal point in the challenge to drive profitable revenue growth in an ever-changing business environment. We see first-line sales managers (FLMs) as pivotal players in driving sales force success. FLMs act as a critical link between salespeople, customers, and the company through three roles: people manager, customer manager, and business manager. In a people manager role, FLMs have influence over who sells for the company and whether the best salespeople stay, how (and how quickly) salespeople improve, how motivated salespeople are, and how well the sales force embraces change. In a customer manager role, FLMs can execute key sales process steps, take the lead in selling to large customers, and help strengthen customer relationships by bringing skills, experience, and credibility to the sales process. In a business manager role, FLMs connect headquarters and the field. They ensure that sales force activity stays aligned with corporate goals by adapting company strategies and allocating resources appropriately for local markets and by reinforcing company culture in the field. They communicate what's happening in the field back to headquarters so that company strategies and plans stay aligned with customer needs. A winning sales management team that executes these three roles well is a powerful force behind the sales force—and a key success factor in driving sales performance.

We wrote *Building a Winning Sales Management Team: The Force Behind the Sales Force* to help you harness the power that a winning sales management team can bring to the sales force. The book fills a void in the information available for helping sales organizations succeed. There are books that help salespeople improve their selling techniques, books that help first-line sales managers become more effective coaches, and books that help sales leaders address a range of sales management issues, including several that we have written on topics such as sales force design, sales force incentive compensation, and sales force effectiveness. But until now, there were no comprehensive books that combined practical insights with academic rigor to help sales leaders and their direct reports (for example, regional sales directors who oversee FLMs) do a better job of defining, creating, and enabling the FLM team.

Through our consulting work, time and again we see the high impact that FLM effectiveness has on sales force success. We have observed and participated in projects across industries and companies all over the globe that focus on improving FLM effectiveness. These projects include the following:

- **Redefining the FLM role to align with a new sales strategy.** Implementing the role change required redesigning FLM competency models, hiring profiles, development programs, support data and tools, and reward structures to reinforce the new role.
- **Adjusting FLM span of control and reporting relationships.** The new sales organization structure improved coordination of sales activity for customers while allowing FLMs time and bandwidth to coach and manage salespeople to bring expertise to customers.
- **Identifying the characteristics and competencies of a company's most successful FLMs.** Once identified, programs and processes were implemented to propagate the success characteristics and competencies throughout the sales management team.
- **Designing and facilitating customized development workshops for FLMs.** The workshops focused on skill improvement and reinforced best practices in critical sales effectiveness areas.
- **Enhancing FLM motivation by redesigning incentive plans.** In addition to an improved plan design that aligned more closely with the FLM role, new goal-setting processes created district sales goals that were challenging, attainable, and fair.

Companies have attributed revenue increases of 10 percent or more to these projects.

Writing this book has been a continual journey of learning. We started with a single-chapter overview on the topic of the sales manager for our last book, *Building a Winning Sales Force* (AMACOM, 2009). We enhanced the material from that chapter with what we've learned from our consulting experiences and began testing our ideas for improving sales manager effectiveness with sales executives in courses that we teach at Northwestern University's Kellogg School of Management and at the Indian School of Business. In September 2010, we held a two-day Summit for Sales Executives at Kellogg called Building a Winning Sales Management Team.

As momentum for writing the book grew, we formed a Sales Management Advisory Board consisting of 19 successful sales leaders from leading companies in a variety of industries. Board members shared with us countless ideas and best practices for building a powerful first-line sales management team to drive sales force success. In addition to sharing their thoughts and stories with us individually, board members met six times over a 19-month period to collaborate and brainstorm solutions to difficult sales management issues. The experience, creativity, judgment, and practical examples that board members provided became a core element of the book. With the board's help, we took our existing ideas and theories and made them practical and actionable for sales leaders, and we developed several new frameworks relevant to the challenges that sales leaders face in today's environment.

How the Book Is Organized

Building a Winning Sales Management Team: The Force Behind the Sales Force is not a silver bullet. Instead, it lays out a logical and thoughtful approach for building and sustaining sales force success. The book describes eight FLM success drivers. These success drivers involve key sales leader decisions and sales management programs, systems, processes, and tools that together define, create, and enable the sales management team. After an introduction in Chapter 1, the heart of the book is structured into eight chapters that each focus on one key FLM success driver. The chapters are organized into three major sections:

- **Section I, “Defining the FLM’s Job.”** By anchoring the FLM job around your sales force strategy, this section suggests approaches for bringing excellence to three key FLM success drivers: defining the role (Chapter 2), sizing and structuring the team (Chapter 3), and creating the success profile (Chapter 4).
- **Section II, “Creating a Strong FLM Team.”** This section shows you how to build a team of talented sales managers using two key FLM success drivers: selecting talent (Chapter 5) and enhancing competencies (Chapter 6).

- **Section III, “Enabling the Right FLM Activity.”** This section shares strategies for enabling quality FLM activity through three key FLM success drivers: supporting critical activities (Chapter 7), managing performance (Chapter 8), and motivating and rewarding success (Chapter 9).

Chapter 10 of the book discusses two primary topics: the responsibility FLMs have for enabling successful sales force transformation and improvement in a changing sales environment, and how sales leaders can enable FLMs in their role as facilitators of change.

The book concludes with a self-assessment tool that you can use to determine your priorities and start improving the FLM success drivers for your sales organization today.

Readers who desire a complete look at how to build and sustain a winning sales management team can read all the chapters sequentially. Readers who are looking to solve a particular issue or concern can start by reading Chapter 1 and then jump directly to the chapters most relevant to their needs. Readers who need help with determining where to start can read Chapter 1 first and then complete the assessment tool provided at the end of the book to identify the highest-impact priorities that deserve urgent attention.

Acknowledgments

This book is the result of a collaborative effort between numerous individuals, including the members of our Sales Management Advisory Board, the sales leaders we have worked with through our executive education programs and consulting projects, and the talented staff at ZS Associates.

Thank you to our Sales Management Advisory Board. This board, which was created for the purpose of writing this book, consisted of 19 successful sales leaders from a broad range of industries. Corporate board members included Chris Ahearn (TPG Capital), John Barb (International Paper), Sandy Cantwell (Cardinal Health), Liza Clechenko (BP), Amy Davalle (Smith & Nephew), Cathy Fischer (consumer packaged goods and durable goods industry), Chris Hartman (Boston Scientific), Jeff Heard (newspaper industry), Denise O’Brien (ARAMARK), Lance Osborne (AFLAC), Quinton Oswald (SARcode BioScience), Jay Sampson (Machinima Inc.), Greg Schofield (Novartis), Fred Wagner (Johnson & Johnson), Helmut Wilke (Microsoft Corporation), and Conrad Zils (General Electric). Three board members from ZS Associates—Marshall Solem, Linda Vogel, and Tony Yeung—were instrumental not only in contributing insights; these individuals also helped us design agendas, develop content for discussion, and facilitate brainstorming sessions at the six board meetings.

We are grateful to Northwestern University's Kellogg Executive Education Department for providing a fertile environment for ideas to flourish. Thousands of executives have participated in our programs at Kellogg and at the Indian School of Business. Our classroom interactions with these individuals have been invaluable for turning our theories and frameworks into practical sales force management tools.

As consultants, we have worked personally with executives, sales managers, and salespeople at more than 400 companies all over the world. The clients of ZS Associates have helped us discover, develop, test, and refine many of the concepts described in the book. Because of confidentiality, many of the people and companies must remain anonymous, but we owe a great deal of gratitude to all those who have used their experience, creativity, judgment, and guidance to help us develop and enhance our ideas.

We would also like to thank the people of ZS Associates, the consulting firm that we founded in 1983. ZS Associates today has more than 2,000 employees across 20 offices in North America, Europe, and Asia. ZS employs some of the finest consultants and businesspeople in the world, and they have contributed to the book immensely. Chad Albrecht, one of the world's leading experts on sales incentive compensation, made significant contributions on the topics of FLM motivation, rewards, and incentives. Other ZS consultants who contributed ideas and examples for specific chapters and who evaluated our frameworks based on their creativity and practical knowledge of what works in the real world include Angela Bakker Lee, Julie Billingsley, Ty Curry, Lauren Lamm, Pete Masloski, Alysia Parks, Stephen Redden, Scott Sims, and Kelly Tousi. The ZS members of our Advisory Board—Marshall Solem, Linda Vogel, and Tony Yeung—made valuable contributions throughout the book. Ashish Vazirani read the entire manuscript and made suggestions for enhancing the book's clarity and value across a range of industries, based on his experience working with high-tech companies and on his knowledge of sales channel strategy and management.

We were very fortunate to have several research and editorial assistants working with us on this project. Preeti Panwar used her artistic talents to create the book's 90 illustrations. Sugandha Khandelwal led the ZS Knowledge Management team in uncovering examples and supporting research. Shelley Gabel reviewed the manuscript many times for accuracy and consistency and was instrumental in coordinating the meetings and ongoing communications with the Sales Management Advisory Board.

Thank you to Meredith Rosen, who led the book's production and marketing efforts. Meredith reviewed the entire manuscript for clarity and content, suggesting revisions based on her sales management knowledge. She created detailed book production and marketing plans and kept us on track to meet every deadline, using her outstanding project management skills and attention to detail. We

also greatly appreciate the efforts of the ZS Marketing team and Neil Warner, who designed the book jacket cover. We also thank ZS partners Bob Buday (who wrote an outstanding book proposal), as well as Nancy Benjamin and the team at Books By Design.

Without the efforts of these fine collaborators, this book would not be in your hands today.