Leading the Sales Force with Leading Sales Managers

by Joseph J. Kovarik, CPC

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"I'm not a sales manager," said the Iowa-based senior vice president.

"Do the revenue producers in your retail and commercial banking units report to you?" was the follow-up.

"Yes, but I'm not a sales manager," he repeated.

"Do you supervise people who contribute to the income stream?"

"Yes, but don't call me a sales manager!"

Denial is common among senior officers and branch managers. Admittedly, what a person is called is not as important as what they do.

Lending institutions avoid the title of "sales manager." It is absent from the organizational chart. It will not be found on business cards. In job descriptions, the reference, if it exists at all, will be oblique.

Non-acceptance of this key role is often an accountability issue. After all, few people want to assume responsibility for the behavior of others. Fewer yet want their reputation based on the performance of another.

While financial organizations recognize the need for leadership, not many advocate the importance of the in-field, day-to-day direction of the sales force.

A typical senior management team will be comprised of traditional titles: CEO, COO, CFO, CCO and CIO. Not found among the corporate hierarchy is "CSO," or Chief Sales Officer.

Organizations readily accept the "science" of management, operations, finance, credit and information systems. But neglected is the sales management function.

For example, lending institutions exercise the discipline of the classic five C's of credit analysis – character, capital, capacity, collateral and conditions. These factors have stood the test of time. They are applied with consistency.

Unfortunately, comparable criteria for managing the sales force do not have equal legitimacy. But sales management practices can be enhanced when 10 rules are implemented.

1. Maintain an Arm's Length Relationship with Representatives. Cordiality, friendliness, amiability – all are positive characteristics to be applied by a supervisor.

Too much familiarity, however, reduces the objectivity required of the sales leader. When a supervisor needs to be directive, he cannot allow an overly friendly relationship to impede sound managerial judgement or correction.

> *Performance requires follow-up, follow-up and more follow-up.*

2. Monitor Effort as well as Results. While the "final score" is a common means of determining success, how the game is played is equally important. Performance requires follow-up, follow-up and more follow-up.

Results – that's the score. Effort or activities – they're the "how" which cannot be ignored because sales activities are the precursor of the desired sales results.

Managers, therefore, inspect the effort of representatives for the outcomes they expect. The frequency of sales calls, the quality of those contacts, and the commitments achieved are examples of effort both expended and measured.

3. Keep Reporting Deadlines. Information is power. All relevant facts – needs, problems, preferences, past experiences, satisfaction levels – learned about customers or prospects should be entered in call management tracking systems.

Whether a paper and pencil or computer-based system, management of customer relationships requires current information. Sales managers can require data daily or, at the least, every week by a certain day. For example, customer information is due on Tuesday at noon for all calls the previous week.

4. Report Sales Quota Achievements Monthly. In lending organizations, "quota" is frequently misunderstood. It's a plan of action, not a forced, must-do goal. Instead, a quota establishes purpose, representing a monthly portion of an agreed-to annual goal.

Charting progress of a branch or individual revenue producers adds a motivating visual dimension to any monthly expectation. Bar, pie or line charts enable lending officers and support staff to quickly see where they are in relation to where they want to be.

Self-directed representatives welcome the opportunity for positive results to be visibly displayed.

5. Schedule Weekly Contact with Each Sales Representative. A significant conference needs to occur once a week between sales manager and representative. The session goes beyond a casual "How's it going?"

Because sales activities drive the anticipated results, the weekly meeting follows a standard agenda, covering at least three topics: a) calls of the week past, b) calls of the week to come, and c) progress in relation to territory, sales or account plans.

Developmental issues can also be discussed in the one-on-one meetings. Successes are proclaimed in group sales meetings, but required individual improvements in prospecting, discovery or obtaining commitment are best reviewed in private.

High-pressure selling methods fail in lending.

6. Measure Competition Against an Objective Standard. Sales managers first determine the results they seek, like additional leasing, increases in ag portfolio, greater share of real estate loan or more relationships per household.

Creating titles with qualifying performance criteria encourages the sales behaviors necessary to attain goals. Top Producer, Presidents Club Member and Gold Circle Performance are examples where representatives gain recognition when predetermined results are achieved.

Representatives competing against each other for the No. 1 slot can be debilitating. Only one person can hold the honor. Focusing on a pre-established standard enables multiple reps to be in the winners' circle. Defining "Top Producer," for example, as any calling officer who "writes a minimum of 10 leases each month for six consecutive months" focuses constructive efforts on the standard, not on the salesperson in the next office.

7. Celebrate the Sales Force. When any desired success – minimal to monumental – is attained, leading sales managers look for creative ways to acknowledge the performers. Frequent and public are the hallmarks of effective recognition.

Simple "First" programs ensure celebrations every month. Staff members who obtain, for example, the First Operating Loan of the Month, First Renewal, First Business Checking Account Opened or First Crop Insurance Policy Written, have their names proclaimed.

The publication of the monthly "First Awards" is appropriate for company newsletters. Additional outlets could include handwritten notices on an office white board, bulletins posted on all-employee e-mail networks or commendations circulated in normal office-mail routings. To optimize its motivational impact, recognition should be as close to the event as possible.

8. "Walk in the Midst" of Representatives. In addition to joint sales calls, managers plan periodic developmental calls with their reps where they seek to do only two things: reaffirm what is being done well and offer suggestions for improvement.

The developmental call praises good performance and constructively corrects poor performance. Here, the sales manager serves as the on-site coach, remaining as an observer during the call. He knows that a glitch, a shortcoming or a mistake is the best means for learning.

He allows the rep to fully execute the sales call. As the coach, he watches for what is done well and notes what could be improved. After the call, he offers instructive, how-to sales skill enhancements.

9. Apply the Ask-Tell-Ask Sales Process.

High-pressure selling methods fail in lending. Sales managers coach account officers to be conversational, not confrontational.

Before the sales call, lenders prepare 10 friendly, open-ended questions to encourage conversation. Good questions foster even better listening.

When a need, problem or opportunity is identified, only then does the loan officer describe products or services that assist the customer.

Before concluding the sales conversation, the rep asks himself if it absolutely clear and unambiguous to the customer as to who will do what next and by when. If so, commitment or "close" has become a natural consequence of the conversation.

During in-field coaching, the sales manager encourages the process of ask first. Second, he monitors the tell step where the rep cites applicable services. Last, he makes sure the calling officer determines the next action of who will do what by when.

10. Sell not Products, but the Betterment of the Customer.

Sales managers value relationships based on satisfying needs or resolving problems of customers. Their representatives are taught the importance of long-lasting, need-based relationships.

Successful loan officers don't "push" products or merely seek a quick sale. They prefer to create a favorable future for their customers. They work to help customers improve *their* situations.

The challenge of increased selling and business development are recent demands. Non-banks and corporations with captive credit programs are rapidly entering the arena once exclusively the domain of traditional lenders.

Learning how to optimize the performance of all revenue producers through improved sales management can be achieved when the 10 rules are applied with discipline and constancy.

Sales management is the most significant business development function in a financial firm. It is the "hitch pin" between the board and the CEO-approved revenue objectives and salespeople who produce the desire results.

Chief Sales Officer (CSO) needs to be a title more readily accepted and esteemed when printed on future business cards – Senior Vice President & Corporate Sales Manager. **jal**