

# Profitable Behavior

Management can help salespeople ensure they get the most out of their time

STORY BY DAN STALP | PHOTO BY KENNY JOHNSON



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**Q:** *While closed deals are the ultimate result in sales, how does senior management help outside salespeople connect activity and behaviors with profit?*

—Andy Gravitt, CEO, Carlton Companies

**A:** Sales and profits can be mutually exclusive if senior management isn't clear which is more important.

The old adage, "That which gets rewarded gets done" is very relevant here. So, the first area to review is your sales compensation plan. Does your compensation plan reflect what is most important to you and your organization?

For example, if the compensation plan is primarily salary with a sales target, then profit might not be as important to your salespeople as it is to you. Or if the commission plan is based on a percentage of sales versus a percentage of profit, this too can result in much discounting from your salespeople to get the sale.

Having volume discounts allows your salespeople flexibility to meet certain competitive pricing when the client is more committed to you. Remaining firm on volume discounts by only allowing management to

make an exception also is a good rule of thumb. In that case, it needs to be good for the prospect and for you to do so.

Often, the salesperson is actually better at negotiating with management than the prospect. This typically tells me management is the problem. So ask yourself, "Is that happening in my organization?"

Lastly, knowing which prospects qualify to use your product and gain the most benefit typically leads to more profitability. Because the prospect gains more impact, you can charge accordingly. This is an example of where management needs to lead their salespeople and be crystal-clear who this demographic is.

**Q:** *Any tips on managing less-experienced sales professionals versus seasoned ones? Sometimes I feel like I'm spending too much time with the less experienced and not enough time with the seasoned ones.*

—Chaz Horn, national sales manager, Infinity Fasteners

**A:** You have probably heard of the 80/20 rule in sales. That is, 80 percent of your salespeople produce only 20 percent of the revenue. If that's not enough, management tends to spend 80 percent of their time with this same group attempting to get them to produce more.

Conversely, management might spend only 20 percent of their time with the folks who produce 80 percent of the income.

The answer to the above conundrum reminds me of the Sandler Rule: "Never manage your salespeople's numbers; manage their behaviors." This rule applies regardless of how experienced your salesperson is.

What this means is, all of your salespeople can be turning in their daily behaviors on a weekly basis. Examples of behaviors might be new attempts to reach a prospect, first appointments, second appointments, referrals asked for and sales made. Although this might seem controlling to some reading this article, it is more about accountability. And there is a difference.

Having them turn in the weekly reports often eliminates meeting with them every week, unless they are not making enough attempts for two weeks in a row. Then the meeting is a strategy meeting about what needs to change, so they can make the number of attempts they agreed to.

On a monthly basis, you might want to sit down with your salespeople individually and together interpret what their behaviors are getting them. This will allow you as the sales manager to be more strategic about what you are coaching them on versus micromanaging.

Lastly, on a quarterly basis, take a closer look at why they are above or below their sales goals for year to date. Having all the background from the weekly reports and the monthly meetings, you are less likely to have any big surprises here. If you do have surprises, you have only allowed a quarter to go by. **KCB**

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