

Three Costly Sales Mistakes Owners Can Avoid

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Owners who despise the idea of selling make three common mistakes. They are hiring the wrong salesperson, relying on sales results without giving precise direction, and hiring a sales manager too soon. Human resource articles consistently report the wrong hire costs three to five times the annual salary. Jump-starting a new hire with a specific plan produces more sales results, regardless of years of experience. Finally, managing the sales manager is just as important and time consuming as managing salespeople directly in many cases.

- Personal bias and the inability to see the job or candidate objectively, no clear hiring strategy, and superficial interviews without reference checks help contribute to the high failure rate when hiring salespeople. At the top of the list, however, is hiring any level salesperson only on experience and likeability. Hiring personal attributes that fit your culture is critical. For example, compare two job benchmarks for a salesperson from two different companies in the same industry. In one organization, success requires problem solving ability. In the second organization's culture, because management is less involved, does not provide leads, or give clear direction, success is more dependent upon the ability to self-start and self manage. This explains why salespeople succeed in one organization and not another, even though each company is in the same industry. Industry knowledge and selling skills are generally easier to train than personal attributes such as self-starting and problem solving. Cultures range from formal to informal, individualistic, team oriented risk adverse or risk embracing, and the list goes on. Identify your culture and hire those personal attributes that fit will increase the chance of success.

- The second error occurs while on boarding. Initial excitement can fade quickly when new hires fail to live up to expectations. Failure is too often due to poor management! Managers constantly say they do not want to micro manage. Therefore, new hires are thrust into the field with a great urgency and encouraging words, such as 'go get them!' After several weeks of misfires, being lost in the wilderness, both sides are unhappy. There is too little direction, coaching, and motivation. Think about other professions. Medical interns and residents, engineering graduates, and software programmers, to name a few, get specific instruction on how to do things. Resources say three of the top reasons for low performance are 1) not knowing what they are supposed to do, 2) thinking they are doing what they are supposed to do, or 3) not knowing that what they are doing is wrong.

No one starts a new job with the attitude to fail or to perform poorly. Do not leave success up to chance! Newly hired salespeople are most open, positive, and receptive to direction when they first come onboard. Provide a road map to success. For example, a very successful owner outlines a plan that includes five major outcomes he wants new salespeople to accomplish each of their first four weeks. Then outcomes are set for each of the following three months, and each of the following three quarters. For example week one is 1) set up your desk and computer, 2) compile a call list and four week itinerary, 3) spend one-half day each with customer service and shipping, 4) know product line A, 5) know the company process for orders, billing and customer service. The second week is 1) know product line B, 2) join two networking groups, 3) make six appointments, 4) contact by phone twenty-five current clients, 5) complete a business plan for the next six months. What makes it work is each Friday he reviews the expectations and provides feedback. Salespeople who have clear goals and frequent feedback are motivated, productive, and happy.

- Third, owners with one to four salespeople are at risk of hiring a sales manager too soon. Hiring a sales manager (which is harder to find than a good salesperson) usually adds at least one-hundred thousand dollars of expense to overhead and still requires management, direction, and feedback, so the problem becomes more complicated.

Do these things before investing in a sales manager. First, be clear if you need a sales manager, a marketing person, or an account manager. Outline a sales process that fits your situation and have everyone adhere to it. Millions of dollars in resources are wasted because salespeople give proposals and presentations to unqualified recipients, so be sure to include the necessary qualifiers in your process. Next, implement a contact manager and tracking system. Your clients and prospects are valuable assets, so keep track of them. Require some form of minimal reporting such as number of follow up calls, new calls to new prospects and so forth. Track the basic elements of success. Measure if they are seeing the right people, with the right frequency and doing the right things when in front of them. Make a few field trips regularly so you will know what your prospects want to buy, not what you think they want. You will also learn what your salespeople are doing and how to help them. When those are in place, and you still need a sales manager, the investment will have a higher return.