

Motivating The Modern Sales Athlete

Wouldn't it be great if all you had to do to make outside sales work for your company was to hire a bright young person with modest compensation requirements, turn him/her loose, and then start enjoying the fruits of your new salesperson's labors? That would be great! There's absolutely no question about it!

Of course, while you're putting together a "wish list," you might as well add cheap gasoline, low-cost/high-quality health care, and world peace to the list as well. Because none of those things is likely to happen in the foreseeable future!

All salespeople need management, and part of what that means is motivation. I have met very few salespeople in my life who were truly self-motivating. For that matter, I can't think of too many non-salespeople I've ever met who were really capable of long-term self-motivation. It's a tough world out there, and just about everyone needs a motivational push—or pull—every once in a while.

Four Components

Before we go any farther into a discussion of motivation, let me remind you of something I've written about before. Sales management is a large challenge which can be broken down into four smaller components: hiring, training, day-to-day management, and motivation. The key to making outside sales work for your company is to hire a person who is right for the job, train him/her to do the job the right way, monitor and manage a very specific set of day-to-day activities, and provide sufficient motivation to make your salesperson want to do all of the things that you want him/her to do.

The motivation component is really the glue which holds the whole sales/sales management process together. You can hire a good person but still get unsatisfactory results if that person isn't motivated to perform. Training simply won't happen if a salesperson isn't motivated to learn, and the sales volume you're looking for won't happen either if a salesperson isn't motivated to put training to work *and* put forth the necessary day-to-day effort. More often than not, it all comes down to *wanting to*.

Motivating Forces

OK, I'm sure you won't argue with the idea that motivation is necessary. More than anything else, I want you to understand that you as the owner are in charge of motivating your salesperson. It's not smart to expect a quick/digital/small commercial printing salesperson to be able to motivate himself/herself, and it's also not fair!

Remember, we're not often dealing with proven sales performers in our segment of the industry. More often than not, we're dealing with people at the very low end of the experience scale—in terms of sales knowledge, product knowledge or both! Add to that the fact that many of this industry's salespeople are young people, without a great deal of life experience. The bottom line here is that the motivational odds are stacked against any typical quick/digital/small commercial printing salesperson who has to find all of the motivation to do a very difficult job inside himself/herself.

By the way, if you don't think it's a difficult job, you need some "attitude adjustment" yourself. The physical component of a printing sales job may not be all that hard to deal with, but the mental/emotional component of the job is a different story altogether. It's been noted that the best hitters in baseball fail approximately 70% of the time. On a "typical" day, that means one hit and two outs in three attempts. A hardworking salesperson might make 15-20 prospecting calls in a day. Even assuming that 30% of those calls could be categorized as successful (and that's a stretch on many days), 15-20 sales calls would result in 10-15 "outs." That's a lot of rejection to absorb every day!

Money Talks

In theory, the opportunity to make a better than average living based purely on individual effort and success should be enough of a motivating factor for your salesperson. That's in theory. In practice, it's often a different story.

Why is that? Please consider—again—that we're not often dealing with proven performers in our segment of the industry, and we are often dealing with young people. Granted, there are people who are motivated by the money—I've always been one of them!—but those people are a lot less common than you would think, and they tend to gravitate toward products, services or industries where they can make more money than quick/digital/small commercial printing generally allows.

Think about it, wouldn't you be pretty happy with a salesperson who could get himself/herself to a sales volume level where he/she would be earning \$35,000 - \$40,000 within a couple of years? With a typical compensation package, that income level would represent something in excess of \$300,000 in annual sales volume. And while we don't have any really solid industry-wide data on average sales per salesperson, my consulting experience tells me that the majority of salespeople in this segment are operating below that \$300,000 per year level.

Does this mean that quick/digital/small commercial printers should pay more to attract better people who need less external motivation? In most cases, the answer is no. It would be nice if you could afford to pay more, but half of the bottom line here is that you deal with small orders, and it takes a lot of them—and considerable production time!—to add up to \$300,000 in annual sales. The other half of your bottom line equation is that it also takes considerable time and effort to develop the customers who place those orders. It's a simple fact that \$300,000 - \$400,000 per year is pretty good performance for a quick/digital/small commercial printing salesperson after a couple of years on the job, and while that volume level justifies a pretty good paycheck, you can't be paying \$40,000 - \$50,000 a year to a new hire in the hope that he/she will get there.

The economics of the situation pretty much require that you hire entry-level or low-experience salespeople, and the fact that they'd consider a job with you in the first place might indicate that they lack something in terms of drive and motivation. Remember, there are situations—even entry-level situations—where “big money” is quite a bit more reasonable than it is in our industry segment.

In considering the motivational power of a paycheck, we should also give some thought to the definition of “big money.” The young/inexperienced salespeople who best fit the typical quick/digital/small commercial printer's “investment tolerance” tend to need less money than more mature or experienced individuals. In other words, \$25,000 - \$30,000 might represent “big money” to a young salesperson, and if he/she can get to that earnings level without too much exertion, there's not much there in the way of motivation to work harder or smarter and sell more.

Make Money Talk Louder!

The key to maximizing the motivational power of compensation—especially with a young/inexperienced salesperson—is to use it to motivate *behavior* rather than sales volume. Please consider this, the fundamental problem with most young/inexperienced salespeople is that they don't know how to develop customers and sales volume in the first place.

How is it done? Through a process of identifying solid prospects and then following up with them, determining their needs, matching those needs up with your capabilities, and building relationships. As I've been telling salespeople in seminars and in my sales coaching activities for many years, you don't develop new customers through prospecting. You develop new customers through follow-up! The whole purpose of prospecting is to identify people who are worth following up with, and to a large degree, this all boils down to a numbers game.

Let's put those two ideas together. The key to success in managing a young/inexperienced salesperson is to motivate that person to play hard at the numbers game! A salesperson who identifies 50 real prospects and follows up with them properly is a very solid bet to produce more sales volume than a salesperson who's working a smaller list of prospects, or one who doesn't follow up consistently. If I were you, I'd direct a significant part of my compensation package toward motivating those specific behaviors.

An Example

Here's an example of what I mean. Let's say that you're willing to invest \$2500 per month to get a young/inexperienced salesperson off to a good start, and you've found a candidate for whom that's enough money. On one hand, you could simply pay the \$2500 as a salary, but I hope you'll see that there's not a great deal of motivational muscle in a situation where your salesperson will earn the same amount of money whether he/she works hard at doing the right things or not. Another approach would be to split the \$2500 into salary and commission components, and I have written before that I think \$1000 per month salary and a 10% commission rate is a good basic plan for a quick/digital/small commercial printer. The problem, of course, is that a new salesperson is very unlikely to produce \$15,000 in monthly sales right off the bat, and that's what this compensation plan would require in order to add up to \$2500 in monthly earnings.

Many printers have tried to address this problem with a diminishing salary structure. I recently worked with a printer who started his salesperson off with a \$2500 per month salary and 3% commissions, with a plan that it would change to \$2000 and 5% after six months, and then to \$1000 and 10% after a year. Seven months into this plan, the salesperson was languishing at \$4000-\$5000 per month, and had actually taken a pay cut when the \$2000 plus 5% stage kicked in. At this point, neither the printer nor the salesperson was very highly motivated to continue the relationship.

The Real Problem, And A Solution

Now here's what really went wrong. In starting out, this printer addressed the salesperson's need/desire to earn \$2500 each month, but he didn't address his own need for payback on his investment. He said: "I'll support you while you're getting started" but he didn't provide any real direction on how to succeed or any real motivation to make it happen.

Here's what I would have done. Knowing that selling ultimately boils down to a numbers game, I would have put together some numbers-based targets...some number of prospects identified, followed by some number of letters sent and phone calls made, followed by some number of appointments gained. In other words, I would have put together a clear set of "action standards" that would eventually lead to success.

Then, instead of a diminishing salary structure, I would have set the salary and commission rate at the level I eventually wanted it to reach, and I would have made up the "support amount" with a series of very specific bonus opportunities. In the first month, that might mean a \$1500 bonus for making 500 prospecting cold calls and sending out 250 follow-up letters. (The difference between those two numbers reflects the fact that not every cold call prospect will be a "keeper" worth following up on.) In the second month, it might mean a \$1250 bonus for making 300 more prospecting cold calls, sending out 150 more follow-up letters, establishing telephone contact with at least 50% of the "keepers" from the previous month, and gaining 10 first appointments with prospects.

I hope you'll agree that there's more motivational muscle in a program like this than in a "support" plan like so many printers have tried. There is also the potential for a great deal more hands-on management direction. I wouldn't be satisfied to turn my salesperson loose to make 500 prospecting cold calls in a month. I'd divide 500 by the number of working days in the month, and set that as the prospecting cold call objective for each day! The bonus would still be based on the monthly total, which would give the salesperson a chance to "recover" from one or two bad days, but I've seen that managing this activity on a daily basis goes a long way toward ensuring that action standards are met, bonuses are earned, and sales volume eventually develops.

By the way, please note that the \$1250 bonus amount for the second month reflects the likelihood that meeting his/her action standards in the first month will result in the salesperson having been "in the right place at the right time" enough times to generate \$2500 in new business during Month 2, resulting in \$250 in actual commissions earned. The basic idea here is pretty simple...if you motivate the necessary behavior, the orders and sales volume will follow!