

## Quota Or Goal

Is there any difference between a sales quota and a sales goal? In terms of managing salespeople, I think there definitely is. It's one thing to point someone toward a goal and say "Here's what I'd like to see you accomplish this year." It's something completely different to assign a salesperson a quota and say "You need to reach this sales figure, or else your job is in jeopardy."

The issue here is accountability, and accountability should be a watchword of the 90's for serious printers. Not just with salespeople, but with everyone in the organization. As a manager, you have the final say in defining the rules, the roles, and the responsibilities of your employees. You're also the final authority on how much volume you need to get from your salesforce. As many managers have learned the hard way, it's not always—or even usually—enough to simply set a goal. You have to be able to enforce that goal to give yourself the best chance of attaining it.

Notice that I'm saying *you* and *yourself*. The way I look at it, only the owner of a printing company can afford the luxury of a working toward a goal rather than a quota. Though the truth is that the owner is accountable no matter what you call the ultimate sales objective.

### Contribution

When you're counting on others to help you attain that sales objective, the best way to manage the process is to break the contribution you need from each salesperson out into an assigned quota. And while a quota does—and should—imply a threat to a salesperson's continued employment, it also gives you a more "positive" motivational opportunity.

I'm a firm believer that salespeople who attain their quotas should be rewarded. By providing the potential for reward, you address the motivational issue from both sides. The reward pulls from ahead, and the threat of getting fired pushes from behind. That's a combination that will get any reasonable person out of bed in the morning, and out making sales calls. And by the way, I'm not saying that I think every salesperson who fails to meet his or her quota should be fired. I think there should actually be three possibilities. At the "top" end of those possibilities is the salesperson who reaches or exceeds quota and is rewarded. At the "bottom" end is the person who doesn't even get close, who doesn't work hard enough, who turns out not to have what it takes to meet your sales needs. That person *should* be fired.

### A Grace Zone

In the middle, there should be a "grace zone" for the salesperson who gets most of the way there. By that I mean at least 85%-90%, and showing real potential to do better next year. The "grace zone" is especially important if you end up with any doubts that you might have set quotas too high in the first place. In this "middle" zone, the only pain the salesperson suffers is in not earning the reward.

How do you set all of this up so that it's consistent with your sales and marketing objectives? Start by setting your overall sales goal, and then break that overall goal down into component goals for each salesperson. At this point, if each salesperson reaches that component *goal*, you'll have your overall goal. What's important to understand is that we're not talking about *quotas* yet. You get *quotas* by "marking up" your component sales goals. For example, if my overall goal required \$250,000 in sales from Salesperson #1, I might set and assign a *quota* of 110% of that figure.

If that salesperson attains his or her quota, I'll have exceeded my component goal, and I might be well on my way to exceeding my overall goal. Now here's an important point to understand...*the incremental profit on all of that additional sales volume is where the rewards come from!*

### Isn't Commission Enough?

I know many printers who resist the idea of paying bonuses or rewards for reaching quotas or goals. One argument they use is that commission alone should be enough to motivate any salesperson. It isn't. Take that as the gospel. The other argument is that bonuses and rewards come right out of the owner's pocket. Well, yes that's true, at least to the extent that any dollar that you don't pay out could stay in your pocket. But the issue is getting that sales volume in the first place. And I hope you'll understand that, when you're doing it right, every incentive or reward you provide is paid for by incremental sales and profits...paid directly by the salesperson's efforts.

I think you'd have a hard time finding a salesforce that has been successful over a long term which didn't operate with assigned and enforced sales quotas. That in itself should tell you something. If you don't have a quota system in place, you're working without one of the primary tools available to help you reach your overall sales and business goals.