

Accountability Increases Sales Productivity

I get a lot of phone calls and e-mails from quick/digital/small commercial printshop owners who complain that their salespeople spend too much time in the shop. "I want him out there seven or eight hours a day," one printer told me recently. "There isn't any money to be made in here."

This printer was surprised when I told him that he was wrong about that, that a significant part of what a salesperson should be doing every day really does lend itself best to being done from the office. I'll come back to that later, though, because the basic premise of most of the calls I'm getting is correct. Most printing salespeople do spend more time than they should inside the shop.

Why? Well, it's exactly the same reason that most printing salespeople spend more time "servicing" their favorite customers than they do prospecting for new business. One is easier—and generally more pleasant—than the other.

So how do we solve this problem? By applying more sales management than most quick/digital/small commercial printing salespeople seem to get. Specifically, by making your expectations clear, and holding your salesperson accountable for meeting or exceeding them.

Action Standards

I've written before that the real secret to sales management is to manage action and behavior, because if you do that effectively, experience has shown that the orders and sales dollars will follow. Selling ultimately boils down to a numbers game, and the key to success is to manage the way your salesperson plays that game.

You do that by establishing what I call "action standards"—a requirement for some number of suspects evaluated each week, followed by some number of introductory letters or packages sent, followed by phone calls to all of those suspects who were written to, which results in some number of first face-to-face appointments.

How do you know how many of each activity to require from your salesperson? The answer to that question really starts with another one...how much sales volume are you looking for? Once we establish that, we can apply a few "sales efficiency assumptions" and come up with a set of action standards that will provide your salesperson with an understanding of exactly what it will take to reach your sales volume goal.

Sales Efficiency Assumptions

The first sales efficiency assumption makes an important translation, from a sales volume goal to an estimate of the number of new customers it will take to reach that goal. For the sake of discussion, let's say that you're looking for a \$50,000 sales increase from your salesperson. If we assume an average of \$2500 from each new customer, your salesperson would need 20 new customers to produce a \$50,000 sales increase.

(Please understand that I'm not telling you that every printing company can expect an average of \$2500 from every new customer its salesperson brings in. The average your company can expect has a lot to do with the way you're equipped, and the targeting parameters you establish for your salesperson in the first place. For example, a printshop with a 4-color press can expect a higher average than one with a 2-color press, simply because it can handle larger orders. And a salesperson who targets prospects with a minimum potential of, say, \$5000 per year can expect a higher average than one who calls on smaller prospects.)

Once we've established the number of new customers the salesperson needs to develop, we can work backwards through the steps of the selling process he/she will use and make the rest of the necessary sales efficiency assumptions. The process I teach is to evaluate suspects via "cold calls"—not asking to talk to a decision-maker, but talking instead with the "gatekeeper" to identify the decision-maker and learn a little more about the suspect company, leading to an initial qualifying decision as to whether the company is a "keeper" or a "counter." The "keepers" move on to the write-and-then-phone stage and receive an introductory letter or package, or perhaps a series of letters, followed by a phone call to try to set up a face-to-face appointment.

Some percentage of the people who agree to that first face-to-face appointment will ultimately become customers. For the sake of discussion, let's say 25%, or 1 out of 4. Backing up a step, only a percentage of the "keepers" will agree to the appointment in the first place. Let's use the same 1 out of 4 sales efficiency assumption here. Backing up another step, let's say that only 1 out of 3 cold call suspects will be judged to be "keepers."

Here's how the arithmetic works. Twenty new customers will require 80 suspects to agree to appointments (1 out of 4), which in turn will require 320 "keepers" to be put through the write-and-then-phone part of the process (again, 1 out of 4), and that in turn will require 960 cold calls (1 out of 3). If we divide those sales efficiency assumptions by the 50 weeks in a typical working year, we now have a set of weekly "action standards"—20 cold calls, a minimum of 7

“keepers” run through the write-and-then-phone part of the process—and a goal of 2 first face-to-face appointments each week.

You’ll notice that I’ve “rounded up” each fraction. Please also note that I used the term “goal” in connection with the 2 first face-to-face appointments. The fact is that the number of appointments gained is really outside the salesperson’s direct control. The action steps that lead to appointments are not, though, and experience has shown that a salesperson who performs enough prospecting and follow-up activity will generate enough appointments, and in turn develop enough customers.

Your management strategy, then, is to establish and hold your salesperson accountable for the action standards he/she can control, and monitor performance against the “goal” components of the overall sales plan. What if your salesperson meets his/her action standards, but isn’t getting appointments, or is getting appointments but not developing customers? That indicates a need for training on those specific parts of the process!

Sales Productivity Scorecard

So, how do you keep track of your salesperson’s performance against these weekly action standards and goals? Obviously, some sort of call report form is in order here, and I think I’ve developed a pretty good one. I call it the Weekly Sales Productivity Scorecard, because in addition to measuring performance against action standards and goals, it measures a couple of other sales productivity issues, including the number of quote opportunities with prospects and the number of true “selling calls” on current customers. Each of the activities being measured is assigned a point value (for example, each introductory letter or package sent is worth 2 points, each “selling call” on a current customer is worth 3 points, and each first face-to-face appointment is worth 5 points) and a total point value target is established. With a single look, you can see if the total of all selling activities for the week reached that target figure, and then you can look to the sub-totals for each individual activity to see where any problems might be.

You can download the PageMaker file for a basic Weekly Sales Productivity Scorecard from my website: www.davefellman.com. You’ll find it on the “downloads” page.

Medal Level Accomplishments

Another of the “wrinkles” I’ve built into the current version of the Weekly Sales Productivity Scorecard is credit for what I call “medal level” accomplishments—Gold, Silver and Bronze. A Bronze Medal activity is defined as a significant accomplishment with a current customer, resulting in business your salesperson wouldn’t have gotten without sales effort. A good example might be a “selling conversation” about a product or service this particular customer has never bought from you before, resulting in an order—or even the promise of an order—for that product or service. A Bronze Medal activity is worth 5 points.

A Silver Medal activity (7 points) is defined as a significant breakthrough or accomplishment in the process of building a relationship with a prospect. That might be a meeting during which the salesperson identifies a weakness in the relationship with the current supplier, and makes a case that positions your company as the solution to the problem. A Gold Medal activity (10 points) is defined as getting the first order from a new customer.

These “medal level” accomplishments give you another means to measure your salesperson’s progress and productivity. They also build in another level of “positive reinforcement” for the salesperson. One of my sales coaching clients recently had a week where she reported well below her action standard for initial prospecting activities, but 27 Medal Points brought her up over her target figure. I was able to point to those accomplishments as evidence that she had a week she could feel pretty good about, while reminding her that she put herself into position to score the Medal Points with prospecting and follow-up activities from previous weeks.

Office Time

As I noted earlier, there are elements of what a salesperson should be doing every day that really do lend themselves best to being done from the office. One of the misunderstood truths about selling is that you don’t gain new customers from prospecting. You gain new customers from follow-up, and the only reason a salesperson should be out prospecting in the first place is to find people worth following up with—“keepers” in other words. (By the way, do you see where the term “counters” comes from? The ones that aren’t keepers at least count toward towards the salesperson’s action standards.)

I would expect a salesperson to be spending at least an hour and a half every day “working the telephone”—follow-up calls on suspects and prospects and stay-in-touch calls on current customers—and possibly as much as twice that amount of time, depending on how many people in the suspect/prospect pipeline, and just how many current customers the salesperson has. That sort of work is best done in a quiet office, with ACT or some other contact management program open on a computer right next to the phone. When salespeople are “pushed”

outside, the follow-up work often suffers, and remember what I just said, you don't gain new customers from prospecting, you gain them from follow up.

Sure, some of the follow-up work can and should be done outside of the 8:30 AM – 5:00 PM window during which suspects, prospects and customers are typically at work themselves and available for contact. Sending introductory letters and/or packages would certainly be included in that category. But the phone work really wants to be done during that 8:30 AM – 5:00 PM window, so the salesperson needs to plan the time to do it. Experience has shown that setting aside time and executing those activities without interruption is the most productive way to do it.

And that really takes us back to the whole point of today's column. The best way to have productive salespeople is to establish action standards and hold the salespeople accountable for achieving them.