



MARKETING TIP OF THE MONTH

Behavior is not random; it is caused!

"**Perseverance** is the **secret of success**. Procrastination is the secret of failure." Milton Levine (1913 -)

"No man is too big to go out and **make a sale**." Stanley Marcus (1905-2002)

"We must use **time as a tool**, not as a crutch." John F. Kennedy (1917-1963) 35th president of the United States

The bad news is **time flies**. The good news is **you're the pilot**. Michael Althsuler

The best thing about the **future** is that it **only** comes **one day at a time**. Abraham Lincoln

Until you **value yourself**, you won't value your **time**. Until you **value your time**, you will not do anything with it. M Scott Peck

"At least 15% of a Chief Sales Officer's time should be spent establishing and communicating a clear course for accomplishing the current year's business plan. Sales will always be the ultimately accountable job. No other function bears such exposed responsibility for delivering on the numbers." (Jerome Colletti, Mary Fiss, "The Ultimately Accountable Job. Leading Today's Sales Organisation, HBR, July-Aug 2006, pp. 125-131)

Therefore, do you know what the three main sales performance areas are to track? Sales and Profit are the most popular to track:

1. **Sales Volume Quota:** Total rand value and/or unit sales
2. **Profit-based Quota:** Selling at the highest price possible (i.e. the highest Gross Profit %/Margin, reduced selling expenses)
3. **Activity Quota:** activities that will produce *future* results (Number of calls, installations, proposals, demonstrations)

Successful Sales Managers spend 29% of time selling with their team, however half of that 29% is selling done on the phone and e-mail. (Dalrymple, D; Cron, W; DeCarlo, T: Sales Management, 7th Edition, 2001)

To maintain motivation, salespeople need to aim for goals or life becomes a mere existence. Whilst achieving the above Quotas, sales people should also launch new products, cross & up-sell, find new customers, expand business with existing customers, collaborate with all customer-facing teams, reduce selling expenses and keep researching.

What really works: Reasonably high quotas, **accepted** by the Salespeople, which should also be specific to Customer & Product Type sold. Why Quotas?:

1. **Quotas Motivate Salespeople:** But give them regular feedback
2. **Quotas Direct Effort:** Which products should receive the most attention. I.e. Most Profitable or Strategic products. Offer bonus points for achieving.
3. **Quotas Provide Standards for Performance Evaluation:** Allows the Manager to focus on staff that are way below or under quota. Managers can then go on calls with these performers to observe their techniques.

Sales Managers need to understand the psychology of their Salespeople. What drives them: achievement, recognition, works itself (work is happiness, wise folk know this!), responsibility, advancement and personal growth.

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