

Sales Manager Growth Strategies

By Brian Tracy

The Sales Plan

Introduction

"I have found enthusiasm for work to be the most priceless ingredient in any recipe for success." (Samuel Goldwyn)

As a sales manager, you must look at your job as if it is your own business and you are the president. You must accurately and appropriately allocate sales quotas to each member of your team. Your sales forecast dictates the activities of each person in your area of responsibility.

Your primary goal is to meet your sales goals, or to exceed them. They are the standards by which you and your salespeople will be measured and evaluated. If they are realistic and challenging, they can motivate your people to reach for higher goals and performance. If they are too high or unreasonable, they can actually demoralize your sales team.

Proper sales quotas geared to the abilities and opportunities of each salesperson can assure superior achievement and high levels of motivation. Improperly setting sales quotas can cause problems, frustrations and wasted energy.

In this lesson you will learn:

- The four measures of Return On Time Invested
- Five ways of setting sales targets
- The key considerations in developing sales plans
- How to measure sales performance

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The Sales Plan

The purpose of the sales plan is to ensure the highest ROTI, which stands for "Return on Time Invested."

1 **There are four measure of ROTI:**

1) The salesperson achieves the **highest volume of sales** per day, week and month.

2) The sales team achieves the **highest profit margin** on the sales that they make.

3) The sales team **covers the sales territory** most effectively and contacts the greatest possible number of prospective customers;

4) Everyone uses their time at the **highest level of productivity** and performance.

2 **There are five ways of setting sales targets:**

1) BY **ASSIGNMENT** – you decide how much each person is expected to sell and tell them the number, with little or no discussion.

2) BY **ANALYSIS** – you carefully determine the total sales possible of your products and services in your territory.

3) BY **HISTORY** – you set sales targets based on your previous experience with individual salespeople and the sales territory.

4) BY **SOLICITATION** – you ask the salesperson exactly how much he thinks he is capable of selling.

5) BY **CONSENSUS** – you and the salesperson, or team, sit down and mutually agree upon mutually reasonable and challenging sales targets.

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RULE Commitment to achieving sales targets is directly proportionate to the amount of discussion that salespeople have in setting those targets in the first place.

3 Seven Key Considerations in Setting Individual Sales Plans:

1) What is the total **dollar value** of sales required daily, weekly and monthly?

2) What specific products or services, and in what **volume,** is the salesperson expected to sell?

3) How much is the salesperson expected to sell to **each customer,** or type of customer?

4) How many prospects is the salesperson expected to **convert** into customers?

5) How many **calls** will the salesperson have to make on average to close a sale?

6) What is the average **size of sale** expected?

7) What are the daily, weekly and monthly **activities** required or expected to achieve the sales goals?

4 Evaluating Individual Sales Performance:

1) There is a **difference** between efficiency and effectiveness in selling:

a) With smaller products, **efficiency** is the most important. This requires that the salesperson use his time well to see as many prospects as possible.

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b) With large sales, **effectiveness** is most important. This requires that salespeople think through and plan out every step of the sales process.

Formula: Efficiency x Effectiveness = Sales Results (E x E =SR)

2) There are seven **Critical Success Factors** that determine sales effectiveness. These are: prospecting, building rapport, identifying needs, presenting, answering objections, closing the sale, and getting resales and referrals.

a) The **weakest** key skill of the salesperson determines the level of sales of that person.

b) You must **identify** the weakest key skill of each salesperson.

3) Determine what **additional training** will be required to bring each salesperson up to world class standards.

4) What **management support** is available to help your salespeople become excellent at their jobs?

5) Identify the additional **resources** that salespeople can count on from your company.

5 The key to the individual sales plan is clarity:

Clarity is essential. It requires three steps:

1) **FULL DISCUSSION** – you must take the time to discuss, ask questions and listen to the salesperson when setting sales quotas.

2) **FULL AGREEMENT** – you and the salesperson must agree that the desired sales quota is realistic and achievable.

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3) **FULL COMMITMENT** – each salesperson must be totally committed to achieving his or her sales targets.

6 Your main job is to help the salesperson achieve his goals:

1) **Inspect what you expect** – keep in regular touch with your salespeople, daily and weekly, to assure that they are on track.

2) **What gets measured gets done** – make sure that each person has clear, specific measurements for both daily activities and sales.

3) **Accept 100% responsibility for results** – refuse to make excuses or to blame others when you miss your sales targets or when things go wrong.

Action Exercises

1 List the three best ways in your business for **measuring** Return on Time Invested of your salespeople:

1. _____

2. _____

3. _____

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2 What are the three most common ways that you **set sales targets** for your territory and for your sales team?

1. _____

2. _____

3. _____

3 Give **three reasons** why salespeople are more committed to achieving sales targets if they can discuss them in advance:

1. _____

2. _____

3. _____

4 What are the three most important considerations you use as a manager to **set sales plans** for each salesperson?

1. _____

2. _____

3. _____

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5 List three of the most important **critical success factors** that your salespeople must have to achieve their sales targets:

1. _____

2. _____

3. _____

6 What are three things that you can do to build a **world-class sales force?**

1. _____

2. _____

3. _____

What **one action** are you going to take immediately as a result of what you have learned in this lesson?

_____

_____

_____

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