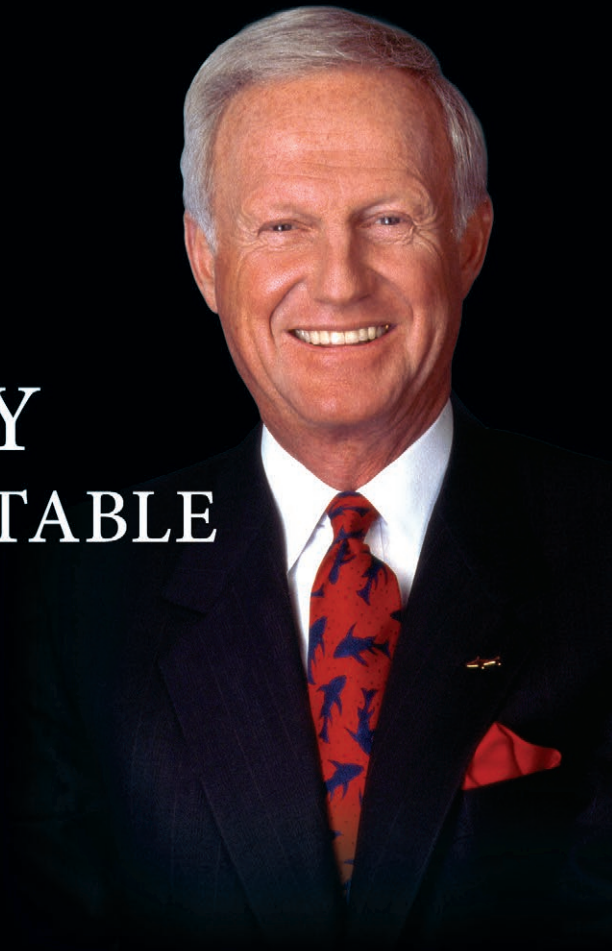
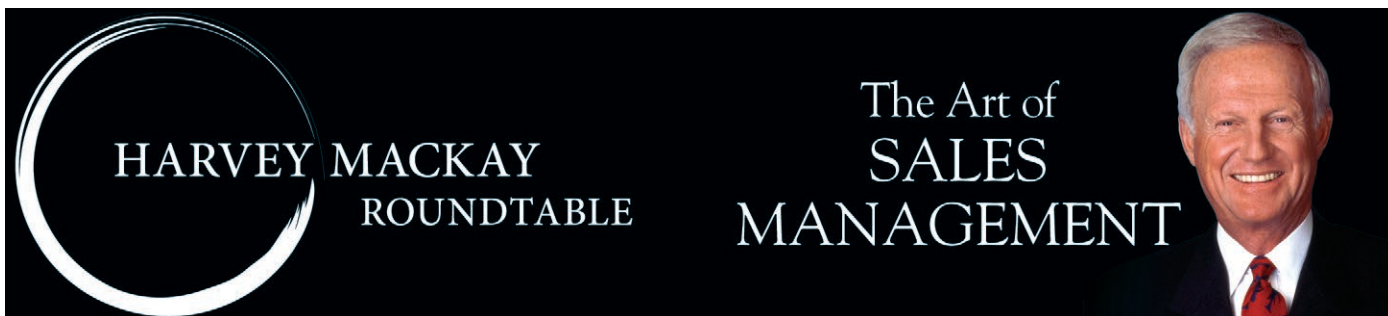




HARVEY MACKAY
ROUNDTABLE



The Art of
SALES
MANAGEMENT



*The single
mass market
is extinct—
it's been
chopped into
millions of
micro-niches*

Harvey: Back in 1895, an Italian immigrant set up shop in San Francisco. His name was Charlie De Domenico.

First he peddled produce... You couldn't beat his zucchini and rucola.

Then came a pasta factory in the Mission District.

The next generation of Domenico's concocted a taste sensation. They called it Rice-A-Roni, *That San Francisco Treat!*

It made a bundle!

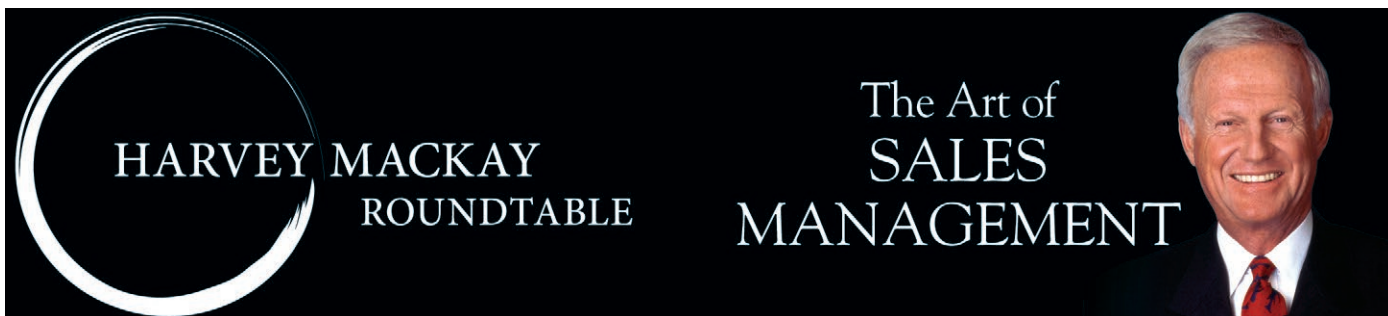
Why? It's because people couldn't get that streetcar-clanging jingle out of their head.

The Madmen at McCann-Erickson dreamed up the pitch.

Those were the grand old days of *push* marketing.... And those days are gone forever.

The single mass market is extinct. It's been chopped into millions of micro-niches. Putting Rice-a-Roni on your shopping list? Which kind?

- low-sodium?
- brown-rice?
- chicken-teriyaki?



*The Internet
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change for
hundreds of
years*

There are more than 30 blends. Plus, 20 more types of Pasta-Roni's help fill out the shelves.

Rice-A-Roni has morphed itself. So has McCann-Erickson: It evolved into the mega-ad giant named Interpublic.

One of Interpublic's gurus puts it this way:

"In the 21st century, the database is the marketplace."

What about the jingle as an ad form? You might hear one in a nostalgia campaign. But no business bets the farm on a slogan and a catchy tune any more. Marketing ace Seth Godin puts it this way: "Finding new ways—more clever ways—to interrupt people doesn't work."

This Roundtable session is about sales management.

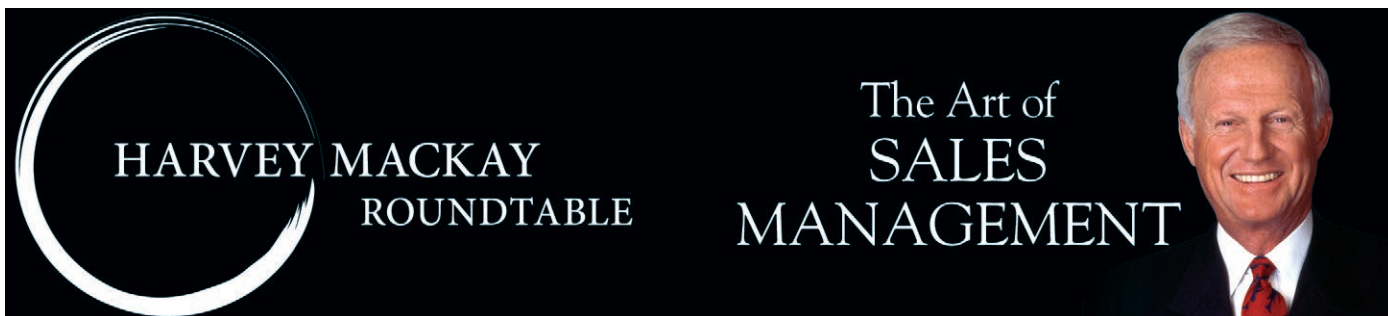
At the outset, I have to emphasize:

Sales isn't the game it once was.

Media mogul Rupert Murdoch runs NewsCorp. That includes Fox News and *The Wall Street Journal*. He is in the thick of the marketing and sales game. Murdoch says quite simply:

"The Internet has been the most fundamental change during my lifetime and for hundreds of years."

The Internet puts the evolution of marketing in stark perspective.



*Don't just
focus on
product,
price,
place and
promotion
because you
also need to
make your
sales personal*

The Internet is the most powerful force in the world today.

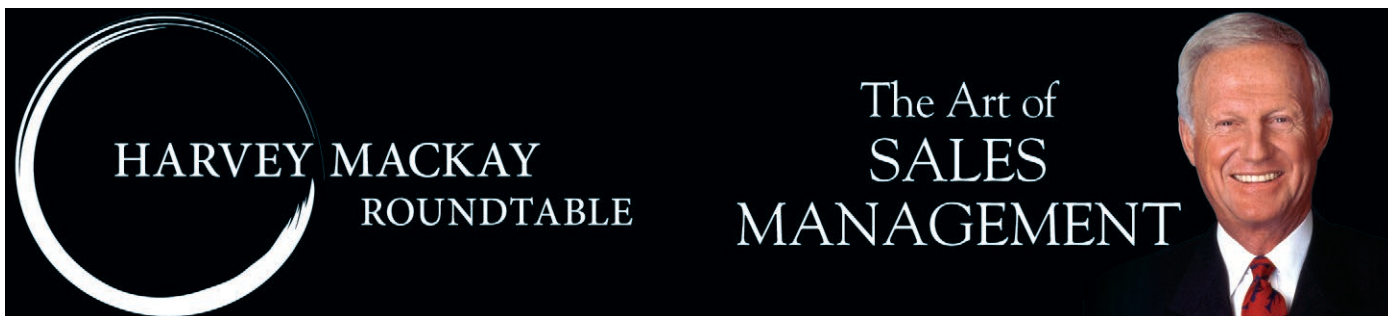
- It took radio 37 years to get to 50 million listeners.
- It took television 13 years to get to 50 million viewers.
- It took the Internet only 5 short years to get to 50 million users.

Everyone in sales is familiar with the four P's—product, price, place and promotion. I think there should be a fifth P—personal, as in make it personal.

There are any number of ways to personalize your product and approach. I'm not just talking about making things personal by customization. Plenty of products out there can have a name or monogram stenciled on, from jewelry to towels to furniture.

Hundreds of thousands of U.S. businesses offer some level of personalization for their products. And this trend is certainly not slowing due to our ego-centric marketplace.

But to really hit close to home, I'm talking about making things personal by helping people understand how they will be affected. You must show people what a product or service will mean to them and take the pitch right to their level, so that it seems the product is made for them and no one else. That's because, in reality, it is.



***A
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A personalized approach is even more important today with so much of our communication being on a very impersonal level.

People order online and do their banking at ATMs with no social interaction. Infomercials clog the airwaves, followed by automated phone ordering. Even grocery and home improvement stores have self-checkout lanes, making it possible to shop with a hundred other people and not speak to anyone.

We have lost a lot of that human touch. Let me give you an example.

During World War II, the U.S. government began offering soldiers a life insurance policy with a \$10,000 benefit if they were killed in combat. In one unit, a young lieutenant delivered a polished presentation on the details of the plan. No one signed up. Then an older sergeant quietly asked the lieutenant if he could talk to the troops.

“Men,” he said, “if you get this life insurance and you get killed, the government is going to send your family \$10,000. If you don’t get this insurance and you get killed, the government isn’t going to send your family anything. So who do you think they’re going to send up to the front lines—the ones who will cost \$10,000 when they’re killed, or the ones who won’t cost anything?”

All the soldiers immediately signed up.



David Meerman Scott, a consultant and author, proposes this no-nonsense analysis:

Sales is no longer chiefly a science of persuasion

- “You can buy attention (advertising).
- You can beg for attention from the media (PR). Or,
- You can bug people one at a time to get attention (sales).”
- When that doesn’t work, firms now routinely do what was once unthinkable: “You can earn attention by creating something interesting and valuable ... Then publish it online for free.”

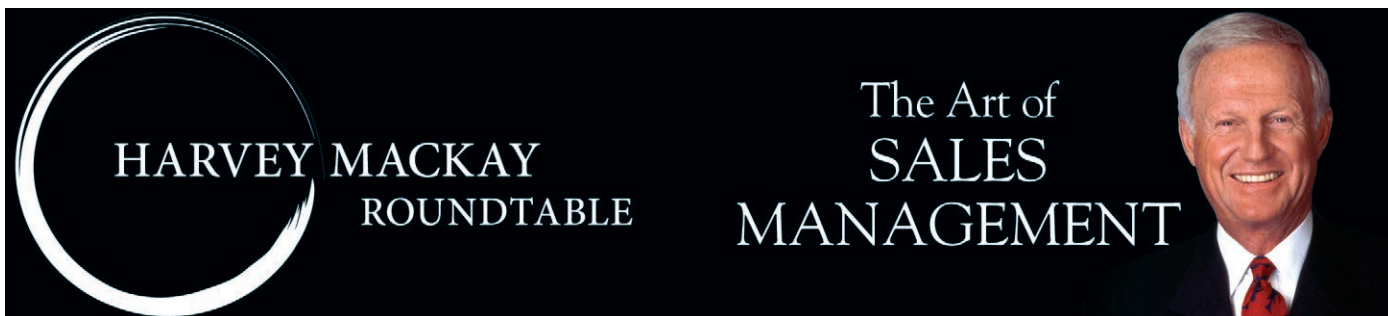
Sales is no longer chiefly a science of persuasion.

Like everything else, a great deal more calculation and gray matter are required.

The result: Sales managers still cheerlead, to be sure, but the people they manage and the results they achieve are light years beyond a shoeshine and a smile.

My comments fall into 6 categories:

1. Sales meetings and motivation,
2. Communication—including the priceless power of humor,
3. Development and retention,



*Create
stellar sales
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be a sales
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leadership
goal*

4. Special management situations—such as barter and handling virtual employees,
5. A sampling of the vast opportunities presented by social media and new technologies, and
6. A closing thought about staffing.

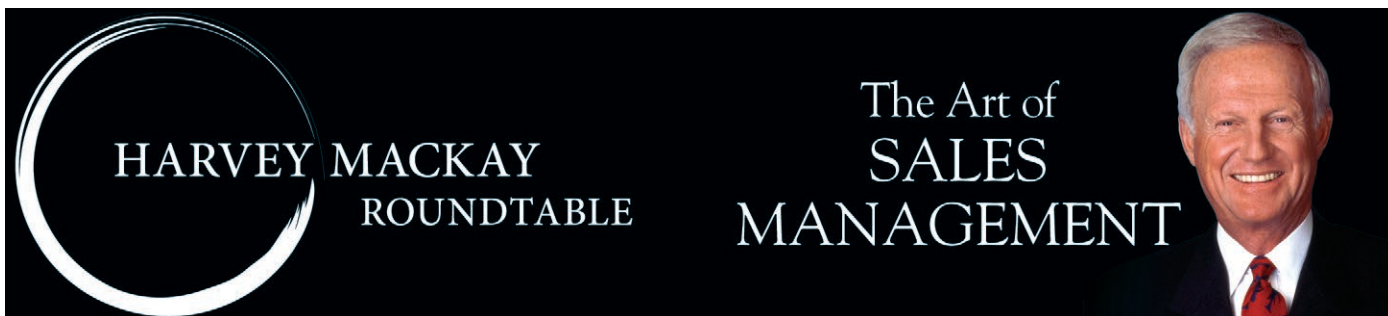
Create stellar sales meetings—that may be a sales manager's foremost leadership goal.

Don't let sales meetings become boring.

One of the all-time great sales meetings was staged by sales underlings at NBC. General Sarnoff founded and ran RCA for decades. NBC was then a subsidiary of RCA. You may remember Pat Harrington, the character actor who played the janitor Schneider on the CBS sitcom *One Day At A Time*. Before breaking into acting, Harrington sold air time for NBC.

Harrington's NBC sales team was about to start their weekly meeting. A short, balding man suddenly strode into the room. "I am General David Sarnoff," the intruder announced in a thick Russian accent.

He took a seat at the head of the table. "I'm chairman of RCA," Sarnoff continued. "It is my custom to become familiar with every aspect of our business. Please, go on with your meeting. I'll try to be as unobtrusive as possible."



*In every
good sales
meeting,
there's a little
theater—in
great sales
meetings,
there's a lot*

For 15 minutes, the sales force tried to conduct business as usual. Finally, Old Baldie spoke. “Gentlemen, there is something I don’t understand. We have rate cards here. Why is it that you never seem to make a deal where the rate conforms to the rate on your cards?”

There was an awkward silence. Finally, Harrington said, “General, we’re much too busy to play question-and-answer games. Mind your own business. Now, why don’t you haul your you-know-what back up to the 50th floor?” The general stalked out of the room. Harrington nonchalantly went on with the meeting.

He ignored everyone’s gasps. Months later Harrington revealed he had hired an actor to play General Sarnoff.

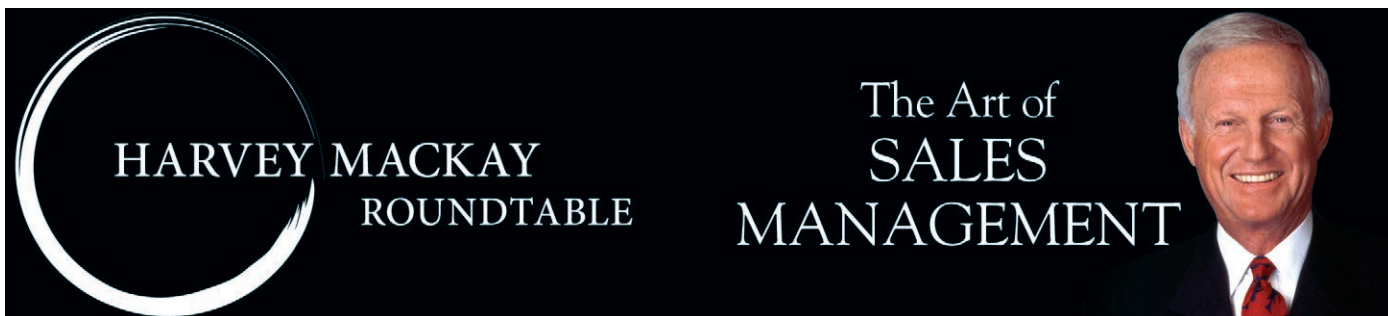
What happened in the meantime? The NBC sales team had a surge. Harrington flashed a feisty sense of independence.

Did this one meeting change the landscape forever?

Not on your life. This sense of sheer gumption was demonstrated in many, many other ways.

In every good sales meeting, there’s a little theater. In great sales meetings, there’s a lot.

I have a list that’s titled **WHY A GREAT SALES MEETING IS LIKE A BROADWAY SHOW**. It includes seven points:



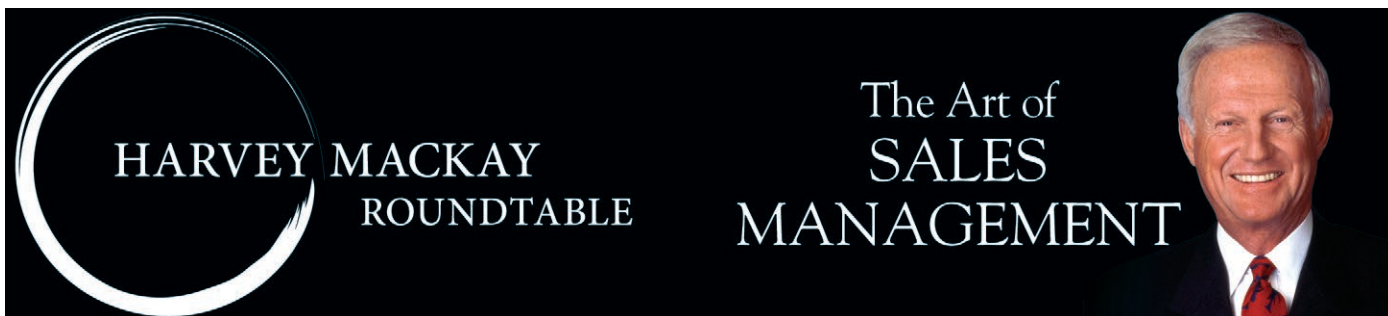
Prepare a script for your sales meeting and then circulate the agenda and attachments ahead of time so that participants arrive prepared

1. ***Every sales meeting needs a script.*** Prepare an agenda. There has to be a point for the gathering. It doesn't matter whether it's action or information. Circulate the agenda and attachments before the meeting so that participants arrive prepared.
2. ***Set a time limit.*** Don't manufacture time-to-burn in non-productive activities. Most feature films run 90 to 91 minutes. Children's features are shorter. Summer blockbusters can be longer. Broadway shows clock in at two hours with a 15-minute intermission. Why? **Because that's what the audience will bear.**

Think "attention span" when you plan agendas.

Industry Week magazine once suggested that meetings last no more than 29 minutes and 59 seconds. (Then everyone at that meeting can get back to work doing what they're supposed to be doing.)

3. ***Control interruptions.*** That's why theaters have ushers guard their closed doors. ***I have a sign in my office that reads: "Our meeting will not be interrupted ... unless a customer calls."***
4. ***Don't complicate the plot.*** Be sure to involve only the necessary individuals. Usually, the bigger the meeting,

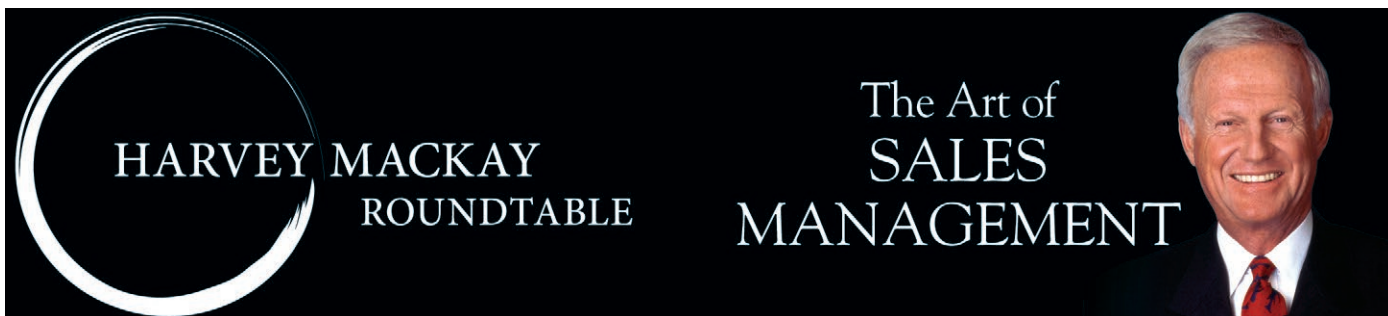


*After you
develop a
system, keep
it fresh by
injecting
surprises*

the l-o-n-g-e-r the meeting. Bigger and longer do not equal better.

5. ***Shake up the scenery.*** Give the conference room a rest every now and then. Go for a change of scenery. If you're a retailer, meet in a store stockroom. If you're a manufacturer, how about a plant? Ever notice how much gets done at the "meeting after the meeting" out in the parking lot?
6. ***Rev the audience up to act.*** Too many people have meetings just to see if they should ***have*** a meeting. Inspire with visions of victory. Great athletic coaches measure their locker-room pep-talk impact only one way: **Scoreboard, scoreboard, scoreboard!**
7. ***Build creative surprises into the plan.*** After you develop a system, inject surprises. Keep it fresh!

In the IT business, what were Steve Jobs most iconic appearances at Apple? New-product sales meeting launches! The business world won't soon forget that January day in 2010. You remember: A visibly frail Steve Jobs sauntered onto the stage. He held up a gadget and uttered five unforgettable words: "...We call it the iPad."



***Funny
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Make every sales meeting a learning experience. Those who are unable to learn from past meetings are condemned to repeat them.

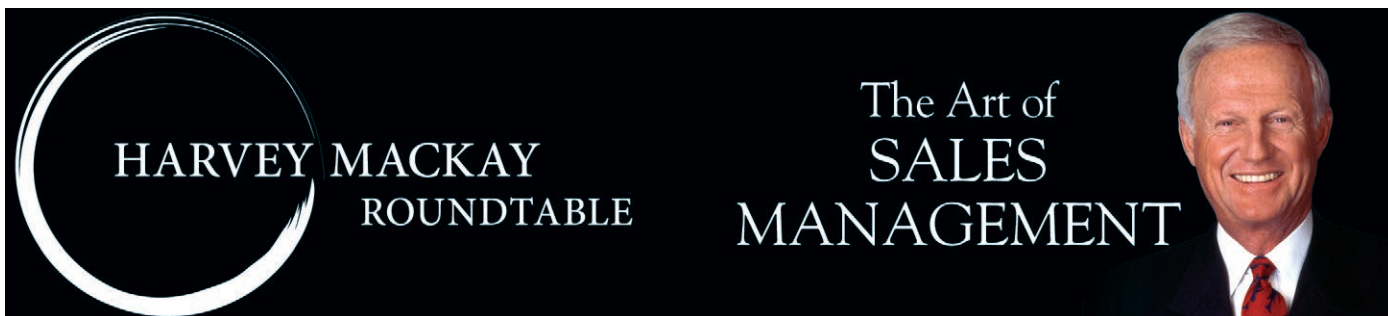
In sales meetings (and in business life), appreciate the power of humor. Funny anecdotes are the best artillery to deliver a memorable lesson. **Look for stories that make you laugh for one minute ... and think for two minutes more.** At a key meeting, NEVER stumble through a joke cold.

Ask yourself:

- Is it really funny? Try it out on several people.
- Does it make a good point?
- Will it blend in well with my message? Do I have a smooth transition into the story?
- Will it offend anyone?
- Finally, will I be able to deliver it well? In other words, practice, practice, practice.

To answer these questions, I run humor by my kitchen cabinet of people I trust.

Leaders are continually on stage. Their cool is being measured every moment.



*Humor is the
organizational
oxygen in
a sales
manager's
survival kit*

Can a sales manager boost spirits in bleak times?

When I've interviewed sales management candidates, humor ranks high on the personal trait list. This isn't just restricted to joke telling. A sense of humor goes with a positive outlook, the power to crawl on top of adversity.

Humor is the organizational oxygen in a sales manager's survival kit.

Marketing maven David Ogilvy once contended:

"The best ideas come as jokes. Make your thinking as funny as possible."

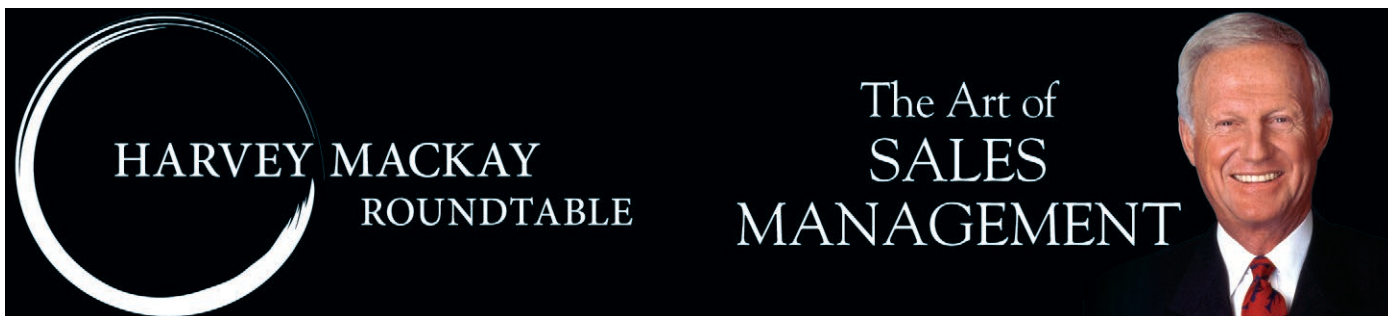
Ogilvy also said: "If it doesn't sell, it isn't creative."

No U.S. president was ever dealt a darker hand than Abraham Lincoln. Nor has any president had a better ability to bounce back with a one-liner.

Gems like:

- "If I were two-faced, would I be wearing this one?"
- "Things may come to those who wait, but only the things left by those who hustle."

Lord Byron, the English poet read the tea leaves when he declared: "Laughter is cheap medicine."



*The best
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possible*

My favorite piece of meeting humor comes courtesy of Albert Einstein. Einstein's sense of humor was the stuff of legends. Who can forget that legendary photo where Einstein stuck out his tongue?

Einstein's chauffeur used to sit at the back of the hall during each of his lectures. After a while, the driver said to the famous scientist, "Boss, I've heard you give that speech so many times ... I could give it in my sleep."

So at the next lecture stop, Einstein and the driver switched places. Einstein sat at the back of the room, dressed in the driver's uniform. The driver—made up to look like Einstein—gave the lecture, flawlessly.

Afterwards, a member of the audience posed a detailed question about nuclear physics. Without missing a beat, the Einstein-impersonator replied, "Well, the answer to that question is so simple. You know what? My driver is sitting in the back of the room. I'm going to let **him** answer it."

Tom Hopkins

HARVEY: Our first interview resource for this module is recognized as one of the world's leading authorities on selling techniques and salesmanship.



*Become an
authority
on selling
techniques
and
salesmanship*

Tom Hopkins personally conducts 30-plus seminars each year traveling throughout the United States, Canada, Europe, Australia, New Zealand, Singapore, Malaysia, China, and the Philippines. More than 4 million people have attended Tom's high-energy live seminars.

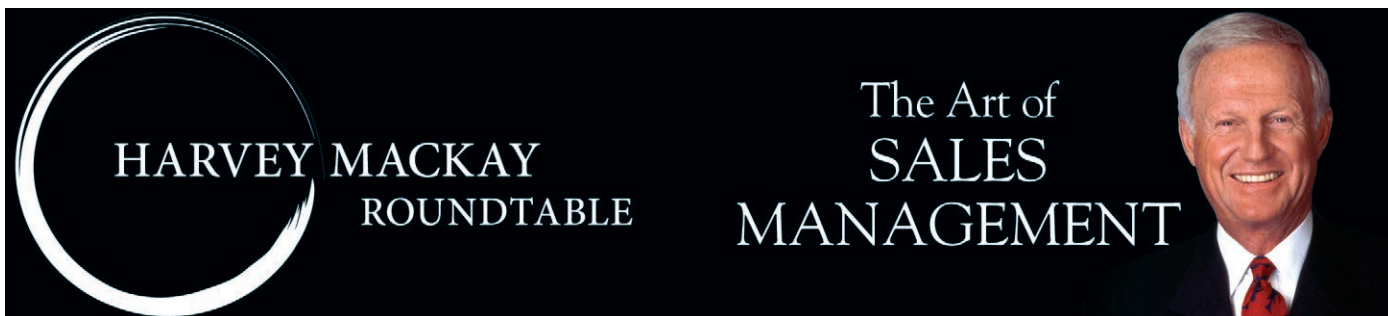
Over 35,000 corporations and millions of professional salespeople use his sales training materials daily.

Tom is the author of 17 books, including the bestseller *How to Master the Art of Selling*, which should be a reference guide for top selling producers in every field of sales. He has also authored three selling-skills books in the popular "...for Dummies" series.

Success didn't come easy for Tom.

He quit college after only 90 days. At 19 years of age, married and with a baby on the way, he took a job in construction. It wasn't long before Tom decided that doing physical labor was not the way he wanted to spend the rest of his life. So he quit the construction job and took a job he thought would be easier—selling real estate.

Six months into his real estate career, Tom's income was averaging just \$42 a month. He wasn't earning a living, but had fallen in love with the real estate business. After discovering that all the top producers had extensive sales training, Tom set out to learn everything he could about how to sell professionally.



As a sales manager, you must preplan your meetings, or you will run into problems

Armed with drive, determination, and knowledge, he built his sales volume to over \$14 million within five years. Word of Tom's record-breaking sales success soon brought repeated requests to conduct sales training seminars across the country.

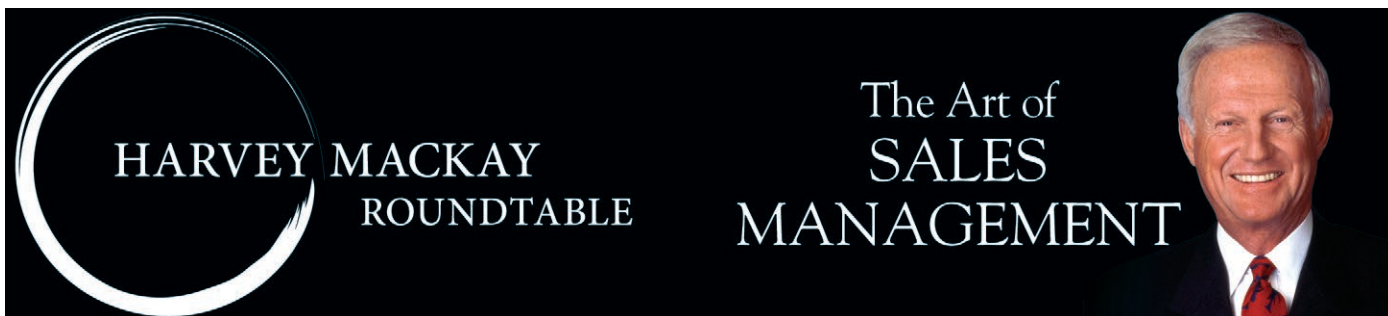
Roundtable members, I give you my good friend, Tom Hopkins. Good morning, Tom.

TOM: Good morning, Harvey. What a treat. I'm so excited to spend some time talking with your folks. How are you, bud?

HARVEY: Well, I'm wonderful, and I've been looking forward to working with you on this interview. So let's just dive in.

Let me say one thing, Tom, you have a great deal of experience as a salesperson, sales manager, and sales trainer. With our main topic being sales management, what are your recommendations for conducting effective sales meetings?

TOM: Well, first of all, there is a big challenge that most managers have after a year or two. They all began very excited, very enthusiastic, and this and that. But at times I've watched managers who haven't preplanned their meetings. It seems



*You have to
really sell
salespeople
on selling,
so be sure
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going into
meetings*

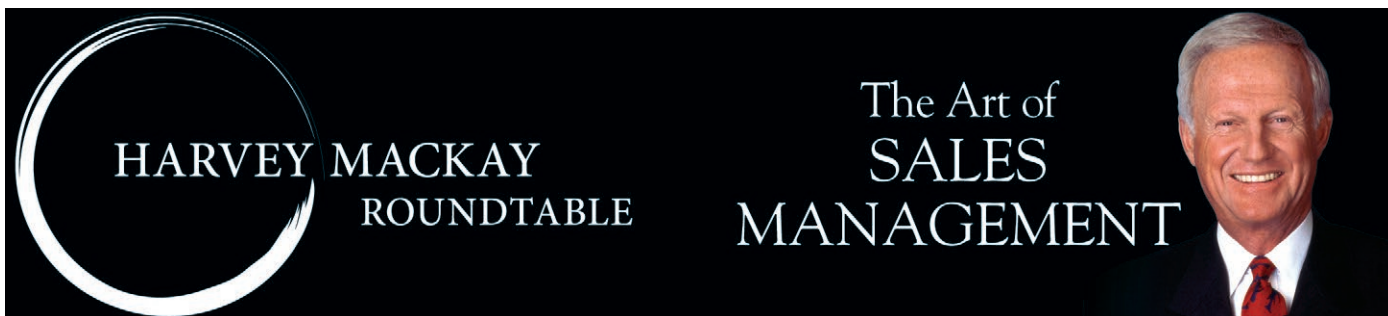
like they almost feel like, well, it's just another Tuesday morning meeting. They show up, and everybody just kind of does their thing. They might give them some announcements and this and that.

When I was in management, I had the top Coldwell Banker office in the U.S., and what I did as the manager was always have a printed agenda that I would pass out that stated what was going to be covered in the meeting.

I also lived by a little philosophy, and that was I kept my eyes open all week. I tried to catch anyone I could who was doing something right so that I could praise them for it at the meeting. With every meeting, I had a philosophy of trying to have 25 percent of the attendees be praised for doing something right during that week.

So I would say that the managers who don't conduct effective sales meetings are the ones who don't spend enough time preplanning and writing out an agenda, coming up with some exciting new things whenever possible.

I think you have to really sell salespeople on selling, and I think as a leader and a manager, you have to do this at every meeting. The preplanning and having an agenda would be some of the most important things that most managers do not do.



A sales manager must be a shining example of what they want their salespeople to be like

HARVEY: I love catching someone doing something right. That's terrific. I also coined a phrase years ago, "The pat on the back is back."

Also, over my career, I have seen too many meetings that people have held to see if they should have a meeting. You and I have been through some of those boring meetings, also.

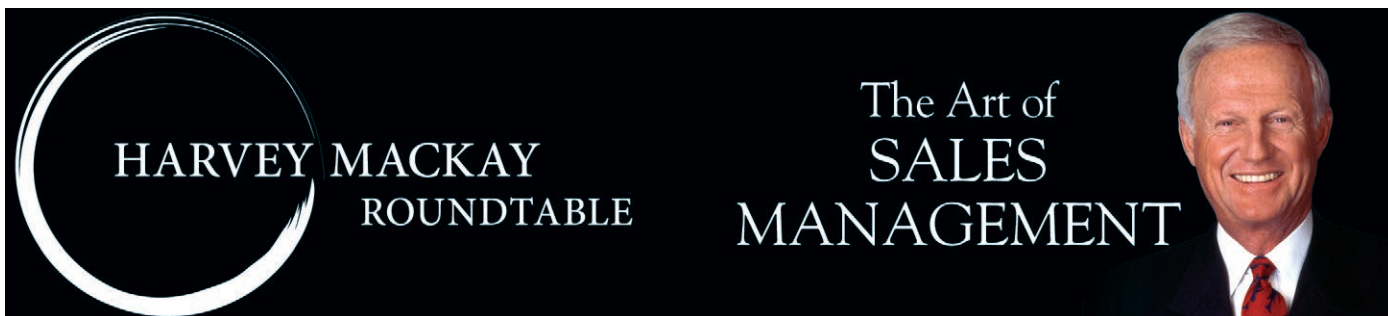
Okay. Next question: What other advice do you have for today's sales managers as they lead, cheerlead, and develop their sales teams?

What's the single best thing they can do?

TOM: Well, I come back to the fact that they need to be a shining example of what they want their salespeople to be like.

Over the years, I've worked with many, many companies, as you know. If you let me spend an hour with a manager, I'll tell you a lot about what the salespeople are like, and conversely, if you let me spend some time with a salesperson or two, I can give you a good idea what the manager is like.

I think the first thing you have to work on is being the person that they would like to emulate. It's a real fine line. You can't be a buddy. You've got to be a boss. You also, in a way, must have business detachment a bit from your salespeople, yet you also have to earn their respect.



A sales manager has to work harder on themselves than they do on the job of management to become the type of person that salespeople want to follow

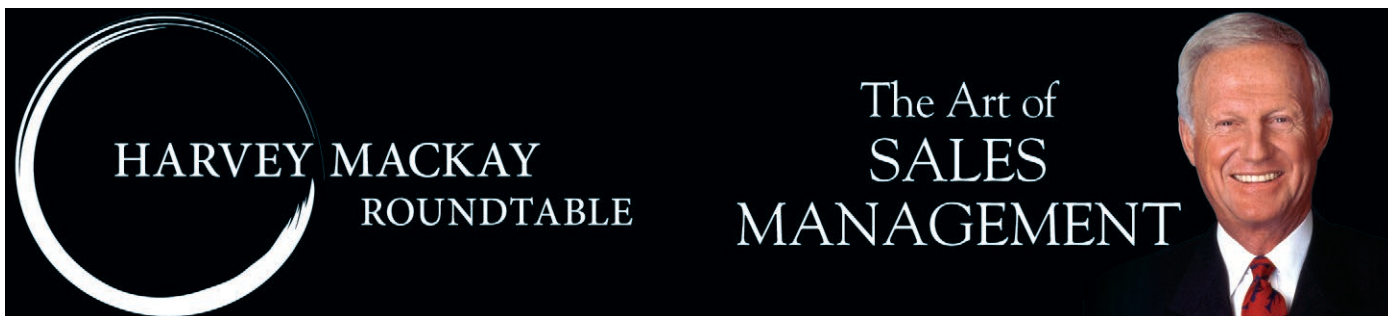
Of all the words in the English language that I think sales managers have to work for, it's not to be liked; it's not to be a buddy; it's the truth that the salespeople who follow their leadership truly **respect** them as a human being. They respect the way they live. They respect their honesty, their integrity, their work ethic.

I think a sales manager has to work harder on themselves than they do on the job of management to become the type of person that salespeople want to—not have to, but want to—follow, to be the person they want to emulate and want to help build profits for the company.

HARVEY: Well, I think we both know everyone likes to be liked and loved and be a buddy buddy. That is a very fine line. I think that says it all. You can't hear it enough. Respect them as a human being. You can't repeat that enough.

All right. Let's go on to the next question.

I know your training focuses on what to say and do when you're speaking directly with customers. If you only had five minutes with a sales manager, what would you draw out of your vast knowledge base of sales training to give them?



*The most
successful
sales
managers are
eloquent time
planners*

TOM:

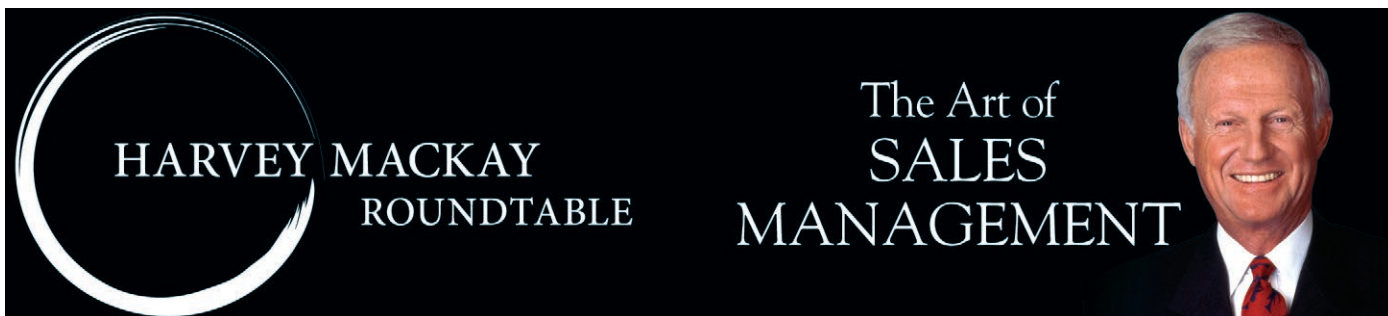
I would first of all tell them that they have to work harder on time planning and organization than most people do. We all have 86,400 seconds in a day. No one has any more; no one has any less. The most successful sales managers are eloquent time planners.

I mean, they sit down and do the six most important things they must do each day. They, of course, review their entire sales force and have them labeled as to what position they are in the company. They're always striving to motivate and train people up to a new level of productivity.

Of course, they are also watching everyone. When a good sales-manager does get a cancerous salesperson, which I define as a person who has lost their attitude or is negative and is therefore affecting the attitudes of all the salespeople they work with, that good sales manager can't be afraid to change their people if they can't change the people.

If you can't change a person after a 90-day period to where they get their right attitude back, are working, and are out there making contacts, then I think you have to say to yourself, "If I can't change that person, I'll change that person and get someone else in here."

That's another challenge many sales managers have; they keep people they shouldn't keep until they just fade away and leave instead of orchestrating a change of personnel as needed.



*It's not
the people
you fire
who make
your life
miserable;
it's the people
you don't fire
who make
your life
miserable*

Now, that scares many people. Many sales managers don't want to rock the boat, but if you're not instigating the change, if you're not bringing in good, new people who are high in enthusiasm, periodically as needed, your office will plateau as to productivity, which is not what any company wants.

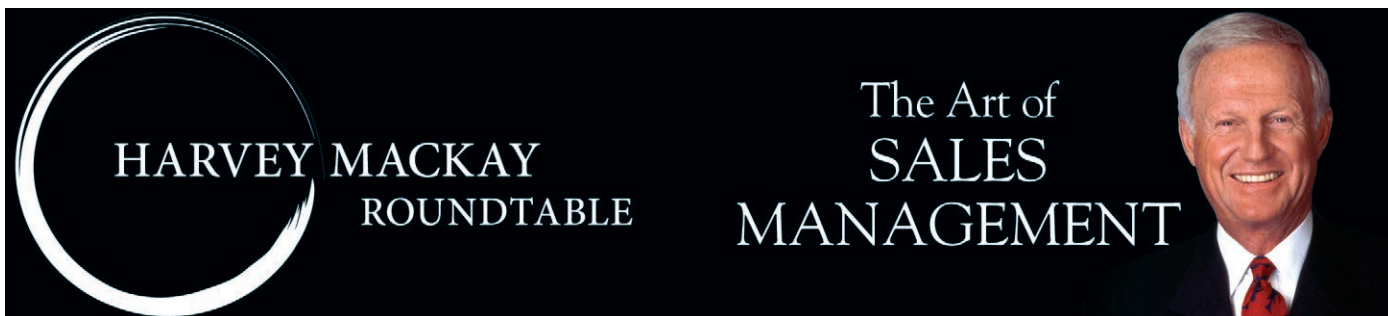
HARVEY: I just have to smile here about making that change if you can't change that person—my favorite.

As you well know because I remember we've discussed this one time over a drink, it's not the people you fire who make your life miserable; it's the people you don't fire who make your life miserable.

TOM: Exactly. That is so true.

HARVEY: That's exactly what you said, but I just put a little bit different spin on it.

Okay. Next question: What would you say is the single worst thing a sales manager or business owner can do when it comes to their sales team?



*You must
offer your
salespeople
up-to-date
training
and books
so that they
can quickly
become
productive*

TOM:

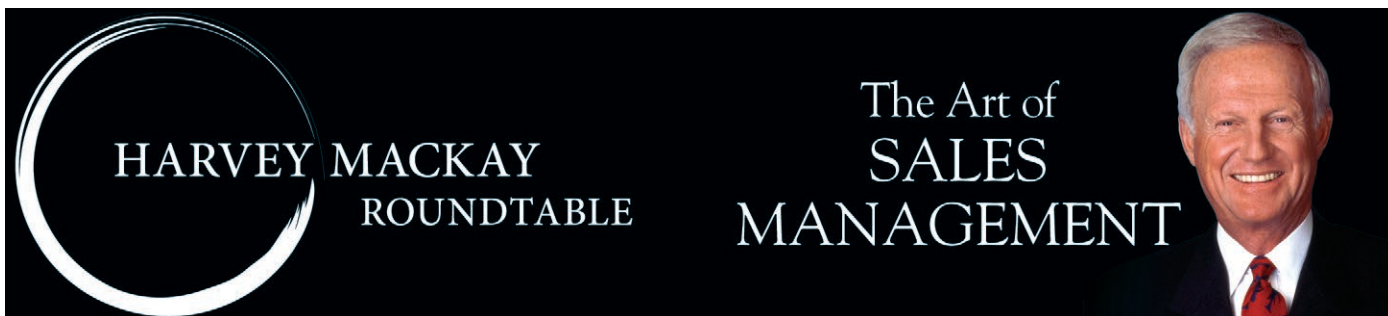
Well, I think the worst thing to do is not offer them up-to-date training and not offer them a library that's in the office. I think that the biggest mistake a good manager makes is not getting their salespeople productive fast enough.

I know when I was in management, I had three or four of my favorite books that I would always choose from to give a brand new person as a kind of a gift. When I'd give them a book, I'd also give them a yellow highlighter along with an assignment to complete in the next two weeks.

I wanted them to read through the book, and with the highlighter, highlight the best 10 percent of ideas on each page. If they did that all the way through the book, I would take them out to a very, very nice lunch.

What was funny is I'd write a note on the last page, Harvey, the very last page, maybe down in the column. I'd write, "When you've read this far, let me know, and I'm taking you to lunch." Now, they never knew that I planned on taking them to lunch. I would just wait and wait and wait.

At the end of two weeks, I'd call them in my office and say, "So did you finished the book? Oh, yeah. Finished it all." Well, I knew that little stinker had a flaw because that person didn't come in saying, "By the way, on the last page I saw that you're taking me to lunch." That was the way I knew if they were or weren't doing what I asked them to do.



This also gave me an insight as to their character and as to what they were going to be like working for me.

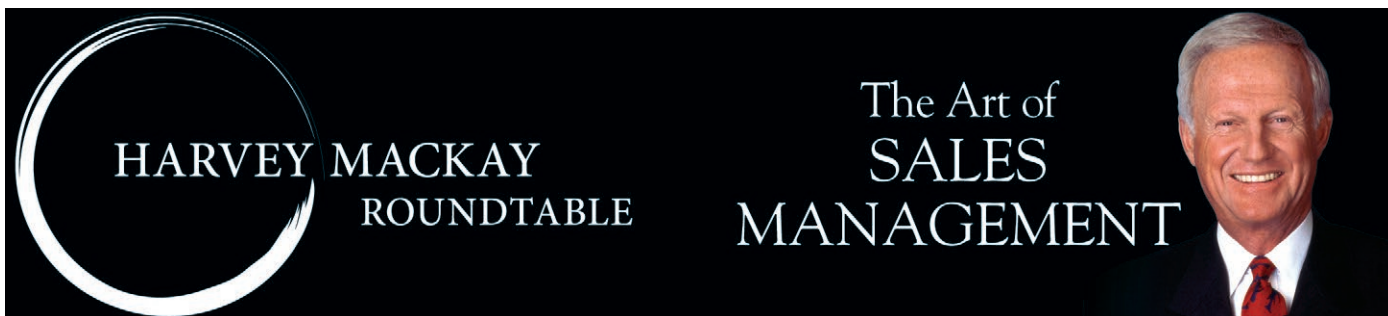
Give your salespeople homework and then have them share about the results they achieve

HARVEY: That's just a terrific story. I might even copy that. Let me just piggyback on that for a moment, because I'm always assigning self-help books to our sales force here too at the envelope company. What I also do then is after they've supposedly read the book, underlined it, highlighted it, you know, torn the copies apart, roughed them up, whatever, I then like to send them, of course, into the marketplace.

Hopefully they'll get the order and get the result. Then once they get the result, they'll come back and share it with everyone else on the team. So that's getting even a little bit more mileage out of the books. That's worked quite well for me.

TOM: And you know what else I did, too, Harvey, is I gave these books out to everyone and assigned chapters to each salesperson. Then I'd say, "Now, at the next meeting, we want you to take a five-minute time slot and give us an overview of your chapter."

This was another way at a sales meeting that I could get them involved. I gave them almost like homework for the week that they were going to work on with this one area of the book.



*You can also
use inspiring
audio
messages to
help your
sales team*

For example, I also took our dear old friend Earl Nightingale's *Lead the Field* messages, which most of the young kids today haven't heard, and I gave them out. Then I had them make a report at the meeting on each of the different sessions in the famous *Strangest Secret* book, as well as the *Lead the Field* messages of Earl Nightingale.

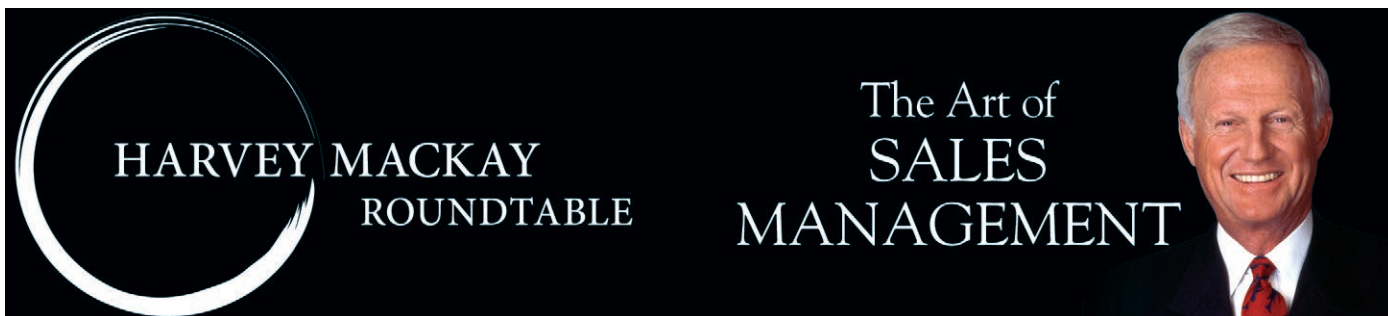
HARVEY: Boy, are we on the same page. As a youngster and a kid, I'll bet I've heard that Earl Nightingale *Lead the Field* series, oh, at least a dozen times or more.

TOM: Yeah, me too, me too. I wore out a bunch of records.

HARVEY: You can't hear it enough.

Okay. A couple more questions. Salespeople have customers telling them that times are tough. There's no money in the budget and so on. How do we help these sales teams overcome those challenges?

TOM: Well, first of all, you have to create a presentation where you're, in essence, bringing up that objection, bragging about



*Use people's
natural
objections
to your
advantage*

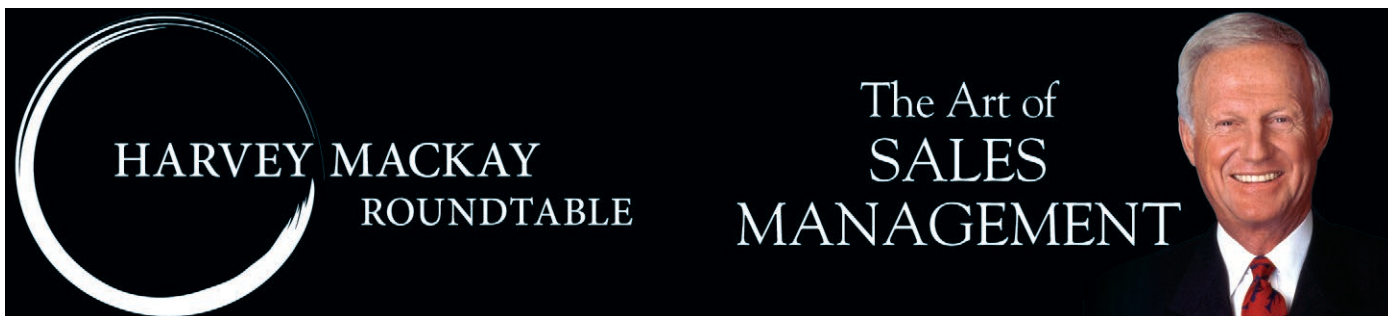
it, and making it an advantage, meaning I would do this: There's no doubt that the economy is coming back, and that we are heating up as far as our economy, based on the last two or three years. So they have to have this story when they talk to their customers.

They have to say, All indicators by major economists are showing that our market is not only picking up, but it's also getting hot. We want to have your company be ahead of your competition.

Over the years, we've found that many companies wait until things are so much better before they get really active and take advantage of the market, but the top companies start gearing up their activities and gearing up their sales skills before the cycle turns, so they're ahead of the competition. And that's what we want to do for you with our training—we want to get your people ahead of the competition so that they're the ones bringing in the profits while your competitor is still sitting on their hands, waiting for things to get better.

HARVEY: That makes a lot of sense to me.

Last question: Which one or two people influenced you the most and why?



*Repetition is
the mother of
all learning*

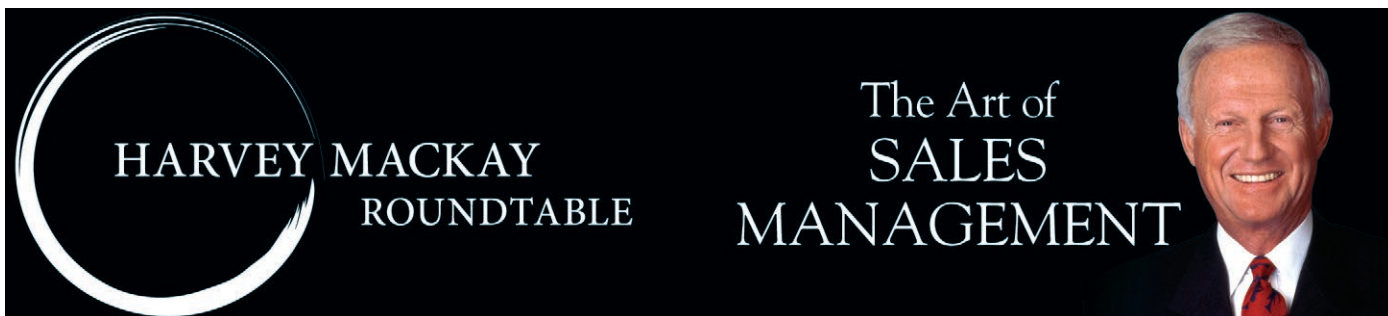
TOM: Well, I had two people who were superstars back in their day in their field. When I looked at the motivation and attitude aspects of my life, the first person was Earl Nightingale who, of course, was one of the great greats back in his time.

I adopted his ideas on motivation, on success, and on attitude, and the reason I did was his ideas were so fundamentally sound. They really changed a lot of my life in those areas.

Then, as far as sales skills, there was J. Douglas Edwards, who had a title as “The Father of American Selling.” He, of course, had his famous *Closing the Sale* program, with the 13 basic closes. I bet I wore out those three or four or five training programs, only because I went over and over them with repetition, which is the mother of learning. There was a lot of repetition into the techniques.

In fact, although I had no idea where he lived, Harvey, when I moved to Arizona, out of four million people in the state, I ended up buying a home next to J. Douglas Edwards. This is, I guess, how fate sometimes works.

As for how they influenced me, I would say that Earl Nightingale influenced me attitudinally, and J. Douglas Edwards influenced my fundamental sales skills. These were the two people that most impacted my life.



HARVEY: That's a lot of irony there, moving right next door, close by.

The head of sales is often not a salesperson because those who decide have decided that sales is not really a highly skilled trade

TOM: Oh, I know. I couldn't believe it.

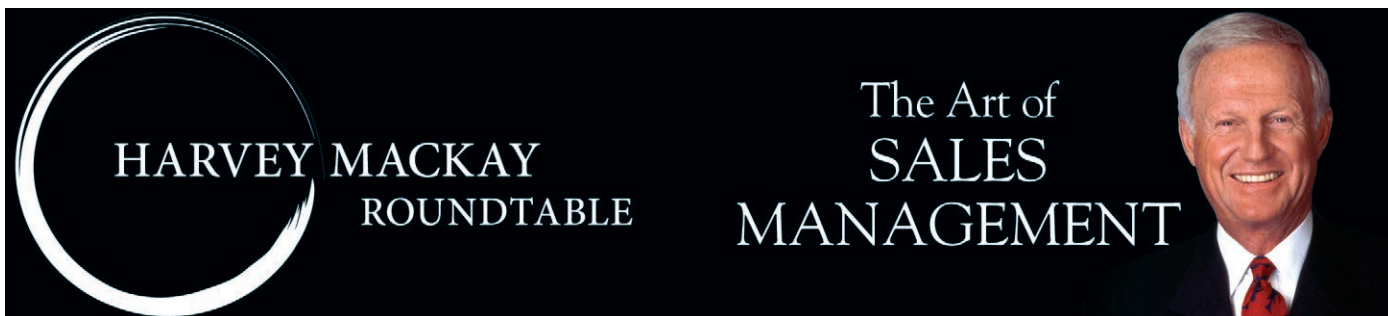
HARVEY: Tom, let me just tell you, as you well know, it's easier to get to the top, but to remain there for several decades is a remarkable achievement. So thanks again for sharing your substantial, in-depth sales knowledge.

TOM: Thank you, Harvey, for all the lives you change and help. I wish you all the continued best.

HARVEY: See you on the golf course. Bye bye.

I will point out that the general counsel of the company is always a lawyer, and the vice president of engineering is always an engineer. So why isn't the head of sales always a salesperson?

It's because those who decide have decided that sales is not really a highly skilled trade. It is merely a low-grade form of human activity involving the use of shoe leather and a car rather than a shovel or a broom.



*The fact is
that sales is
the engine
that drives
the company*

But, that isn't the way you and I figure it.

Sales is the engine that drives the company.

No sales. No company.

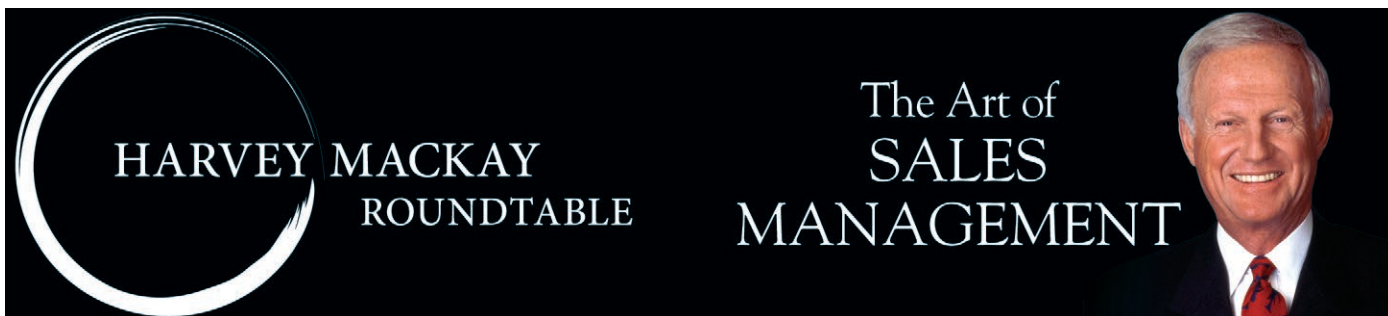
Sure, sales techniques cannot be reduced to a mathematical formula, and unless you've done it, it's hard to explain how you do it. But doesn't it make sense that if you are going to hire someone to lead and motivate sales people, that a successful sales person is the one to do it?

Meetings are just one part of the bigger picture of communicating with sales people. That's 90% of a sales manager's job and may even be a bigger slice of her or his success.

Last fall, *Inc. Magazine* proposed "power questions for managers to pose to their sales team."

Two stick out as plain brilliant:

- First, "What is the biggest obstacle to adding new customers?" Maybe it's something both simple ... and deadly: "a lengthy procedure for setting up new accounts or order processing problems within your company."
- The other super question from the article: "Who is your toughest competitor—and what are they doing RIGHT?" ... Don't wait and let this awareness surface

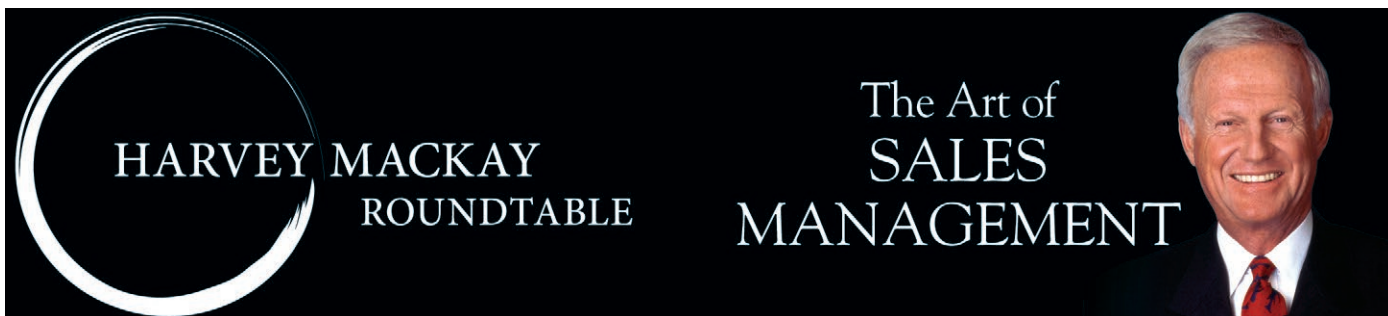


*You are
mismanaging
your sales
team if
you are
undercutting
their prices,
over-
marketing
your brand,
or changing
your target
market
frequently*

after you lose business. “What you do **not** want is to find out *after the fact* that you could have avoided a sales failure by countering competitive activity.”

Inc. Magazine also offered a list of “17 Ways to Mismanage Your Sales Team.” All of them are either communications problems or are at the heart of faulty communication. Among them, I had five favorites:

1. “**Undercut [salesforce] prices.** [That is:] Offer a better price to customers on your website than the sales team can offer directly to face-to-face customers.
2. “**Overstaff the team.** Hire more sales reps than your likely level of sales can support—and have all of them compete for the same business.
3. “**Over-market your brand.** Spend big money on marketing campaigns that have no tie-in to the products that the sales team must actually sell.
4. “**Create speed bumps.** Devise an incomprehensible compensation plan, and then make the sales rep figure it out in order to get paid.
5. “**Change your target market every few weeks,** thereby rendering useless any progress made toward the former target.”



One of the biggest radar jobs a sales manager has is to detect: Who is postponing making that tough, messy phone call that could avert real trouble?

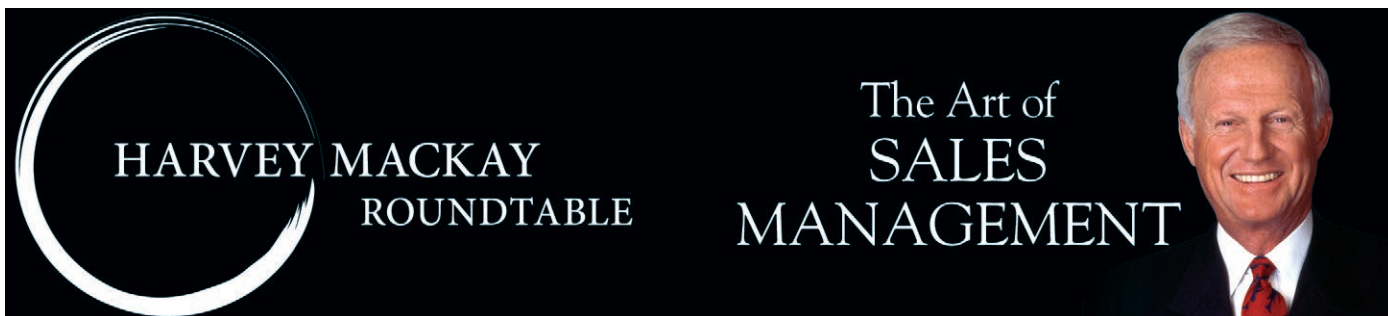
Of course, communication is a two-way street.

Weak sales managers fumble their messages to the team. The same managers are usually slow to detect when they're getting lousy communication upward.

They're not wise to someone jiving them.

A third *Inc. Magazine* list from last year gets into that problem. It names the "8 Worst Lies That Sales Reps Tell the Boss." My two favorites are:

1. *"I have a great memory, so I don't need to write down what I've learned about a customer"*—People who don't write it down or tap it into their notebook right away rarely remember. "Sales reps that rely upon their memory virtually always let important events and commitments fall through the cracks." You've heard me say numerous times—Pale ink is better than the most retentive memory, which means write it down.
2. The other top lame excuse: *"I haven't called that customer, but I have it scheduled for later today"*—"Sales reps tell this lie when managers remind them about a customer situation that slipped through the cracks." One of the biggest radar jobs a sales manager has is to detect: Who is postponing making that tough, messy phone call that could avert real trouble?



Many employers could reduce the pressure for raises by giving their people top-quality training

So much for the seamy side of upward communication.

There's another kind of team-member communication that most sales managers ignore. It's the positive angle of passing along skills and knowledge you're already paying for.

This falls into the realm of training and development.

At MackayMitchell Envelope, we have a long-term belief in sending people to conferences and seminars. It keeps your human assets state-of-the-art.

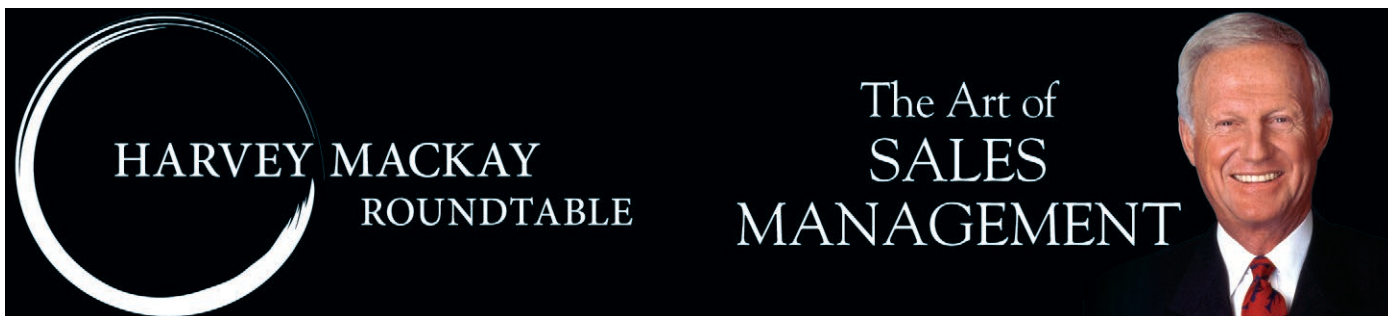
Also, I think many employers could reduce the pressure for raises by giving their people top-quality training. The outcome is a true win-win.

People know they—and their market value—are only as good as the freshness of their skill set.

However, we do add a catch when we send someone to a training session. When anyone goes to a conference, it's not good enough to just attend. That person must come back and teach their fellow employees what they learned.

Look at the payoffs:

- The person getting the training has real accountability to learn valuable take-home information. This isn't just a boondoggle. At the seminars, they study harder and ask more intelligent questions.



*A company's
most valuable
asset is its
sales staff*

- Everyone in the business gets to benefit from the cutting-edge knowledge.
- And, the trained person hones his or her experience and skills as a trainer.

In short, as far as outside training goes, we make sure:

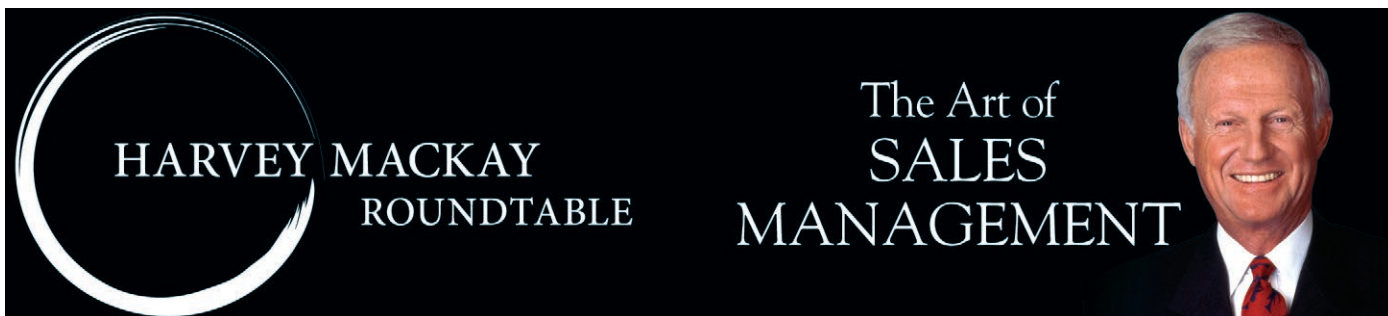
- *It's not over when it's over.*
- A hungry business keeps those mental engines running all the time.

Poet laureate Robert Frost warned us about that dangerous and predictable human failing: the natural tendency to dodge tough sledding. "The mind is a wonderful organ," Frost maintained. "It starts working the moment you get up in the morning and doesn't stop until you get to the office."

Why do we put valuables in safes? To make sure they stay put. What about a company's most precious valuables?

I happen to believe that a company's most valuable assets aren't its factories or its formulas. The highest value asset of all is its sales staff.

Our employees understand that whether or not they interact with customers, they have to put their best foot forward all the time. Regardless of the job description, each and every



*Salespeople
know what
inspires their
loyalty and
what makes
them move
their business
to another
vendor*

employee represents the company and has a keen interest in seeing it succeed:

No business = no jobs

This concept is not really news to employees. After all, they are customers somewhere, too.

They know how they like to be treated. They know what inspires their loyalty and what makes them move their business to another vendor.

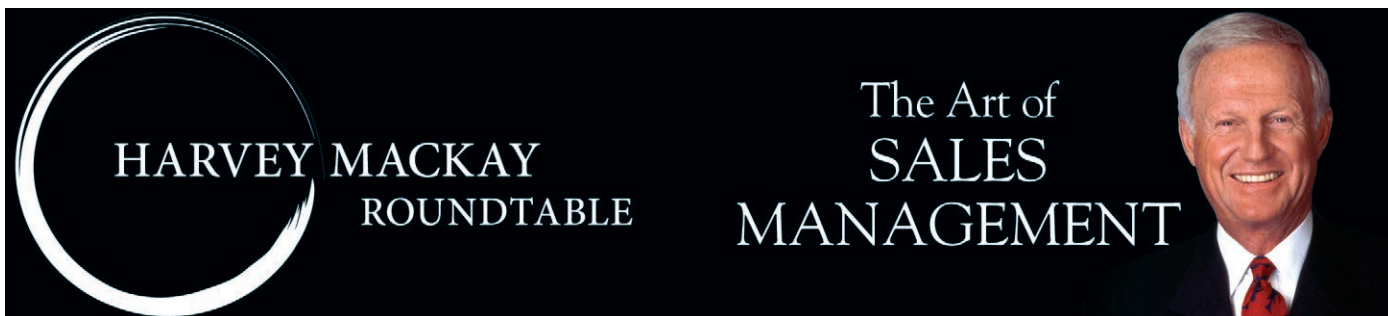
Among business legends, Andrew Carnegie shared my view to the letter. Carnegie once declared, "You can take away all my money and all my factories, but leave me my sales force and I will be back where I am today in two years."

Where should that put retention of precious sales talent? Squarely on the shoulders of the CEO and the Sales Manager!

So, what do you do when a sales superstar walks?

Let me share a personal case history from several years back.

It was Friday afternoon and the week was winding down. Our top sales executive slipped into my office, closed the door, and sat down in the chair opposite my desk. He then proceeded to hit me over the head with a two-by-four:



*In a crisis,
a knee-jerk
reaction is
usually a
just-plain-
jerk reaction*

“Harvey, I’m leaving you. I’m going to work for XYZ Envelope (our #1 competitor). They offered me a better deal, and I just can’t turn it down.”

For a nanosecond, one overriding concern flashed through my mind: “Is this a capital punishment state, or do they just give you life for murder?” I resisted the impulse to lunge across the desk.

I nearly voiced the traditional farewell, “Clean out your desk and don’t let the door hit you on the way out.”

I bit my tongue. Some oft-repeated parental wisdom halted me mid-rage.

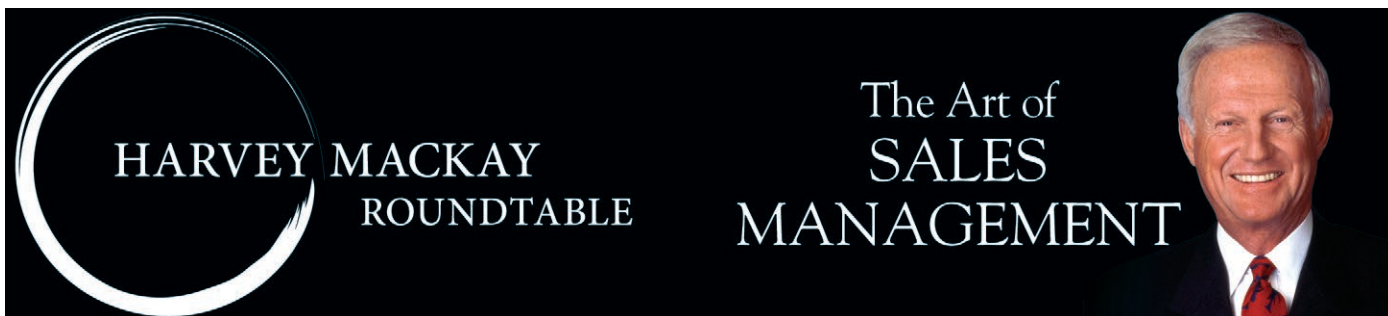
Voices in my head said: “In a crisis, a knee-jerk reaction is usually a just-plain-**jerk** reaction. Play it cool. Don’t burn your bridges unless you’re a mighty good swimmer.”

What were my words to the renegade across the desk?

“You don’t say?” I muttered calmly. “Tell me about it.”

Well ... He gave me the whole story from start to finish:

How the initial contact had been made, what the offer was, why he had decided to accept it. I listened closely, got all the facts and then said:



*You need to
gain every
possible
perspective
before you go
back onto the
battlefield*

“I’m asking for just one thing: Before I say anything substantive, and before you do anything further, let’s sleep on it. We’ve been together too long, and it’s too important a decision. I want to avoid a highly charged conversation. Let’s meet again tomorrow.”

The two of us reconvened on Saturday. We both had time to think it over. I had spent Friday evening burning up the phone wires with people whose opinions I valued.

I wanted every possible perspective I could get on this bombshell before I went back onto the battlefield.

We sat down again. Our emotions had quieted.

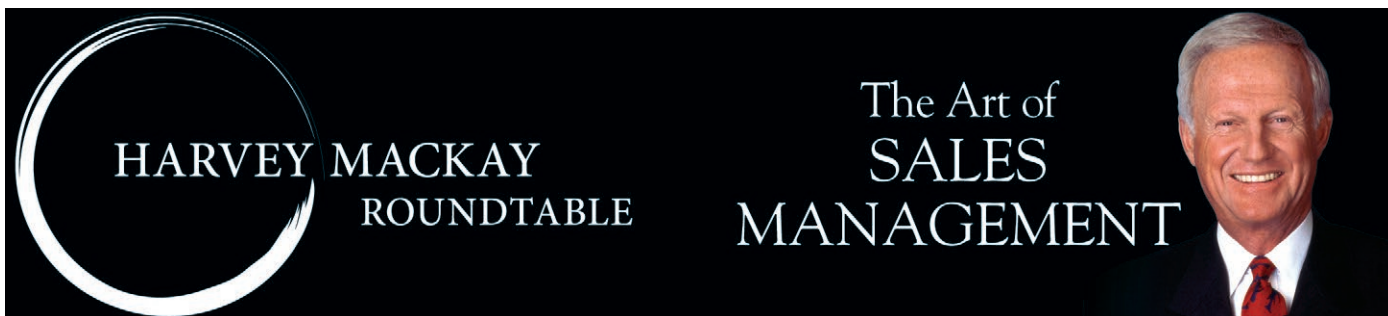
We methodically analyzed the situation together, I was convinced that the move was a mistake from both our points of view.

XYZ had promised him the moon. Big bonus ... Big title (President) ... Big travel & entertainment account ... megabucks ... a whopper of a pension.

However, I knew the players on the other side better than he did. I had virtually no confidence that they could deliver what they had promised.

I brought up the negatives—firmly, but dispassionately.

I couldn’t change his mind. He had stars in his eyes.



*If you bring
up the
negatives of
leaving your
employment,
do so
firmly, but
dispassion-
ately*

We parted amicably. Now here's where I went against the conventional wisdom. "The door here is always open," I said. "Why should I tell you never to darken my door again? You've been an outstanding performer. If things don't work out at your new shop, let's see if we can make things happen here again."

Legendary radio commentator Paul Harvey would say, "NOW, here is the rest of the story."

The following four years were ones of bitter disappointments for my prodigal sales manager. A severe recession. Capital evaporated. My former employee got knocked out of the box.

It was lights out for the runaway superstar.

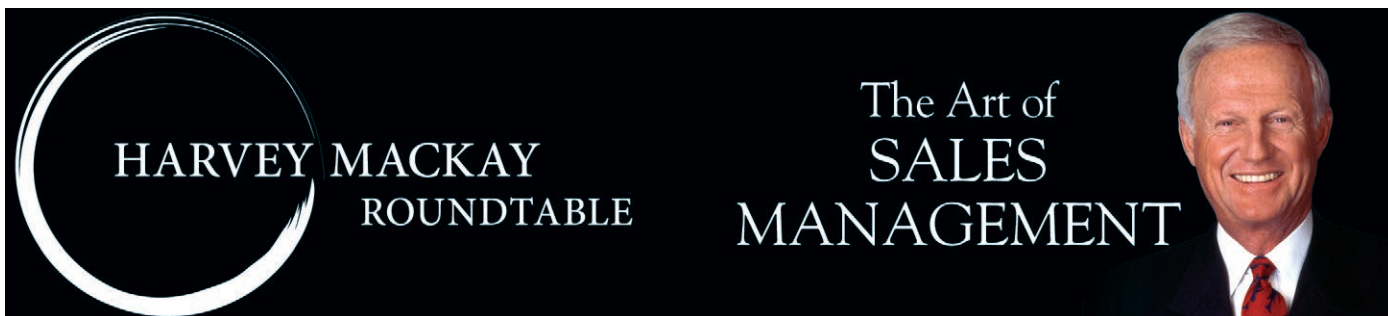
What was the first thing I did when I learned he was out?

I had an intermediary contact remind him of the open-door policy at his former employer. I knew he'd be a better person after facing the collapse of his dreams.

He jumped at the offer. It worked out beautifully for both of us.

Of course, some critics say "What a dummy Harvey is! All this does is encourage people to leave on a whim. They know they can get their jobs back anytime they want."

Not true.



Former First Lady Eleanor Roosevelt once said:

“Learn from the mistakes of others. You can’t live long enough to make them all yourself.”

Taking back employees after they’ve left depends on why they left

You can’t beat that attitude for smarts. On the other hand, sometimes people have to grab for the brass ring and maybe take a tumble. So it was with the superstar.

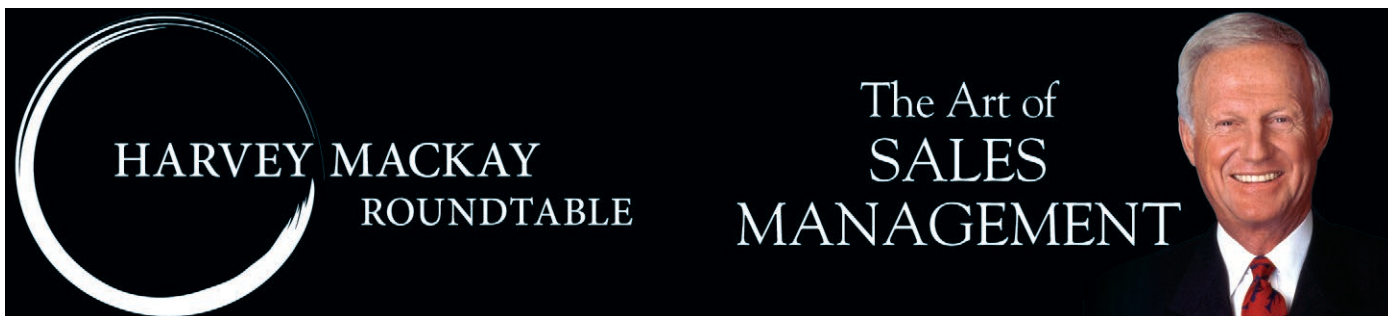
Taking back employees after they’ve left depends on why they left. I’ll rehire them if:

1. They were pirated away by a pie in the sky competitor, and it didn’t work out;
2. They left to go into business for themselves and wound up in Chapter 11;
3. They had a problem that caused me to terminate them, but five years or so later, they have proven they have the problem licked.

I have had real life experiences with each of these three situations. I’ve never been sorry. Stay open.

The second verse may be better than the first.

Tim was a young life insurance salesman. He came from a blue-collar background. The water glasses in the family cupboard



If your salespeople are not properly trained, they won't know how to deal with people from different backgrounds than themselves

started life as jelly jars. Tim's primary network consisted of the bachelor, beer-drinking buddies on his softball team. Of his three best friends, one worked at a Ford assembly plant, one at a Jiffy Lube, and the other was between jobs.

Tim's boss, Wendy, was a great insurance salesperson with good contacts in the money community. Wendy grew up in a country-club environment and graduated from an Ivy League school. Her classmates and friends were upper-middle-class professionals. Their lives were as remote from Tim's world as the other side of the moon.

When Wendy developed a training program for Tim, she neglected to allow for the difference in their backgrounds. Wendy couldn't understand why Tim couldn't sell the big policies.

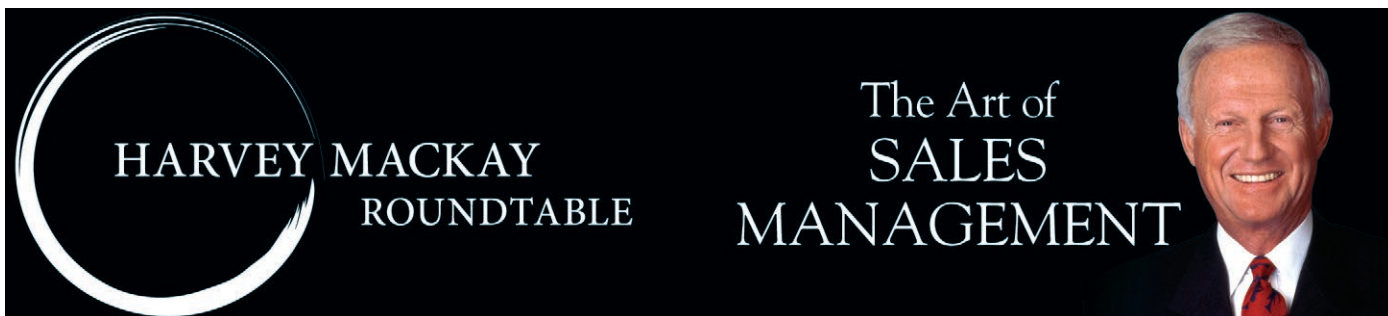
It was no surprise that Tim didn't make it in insurance.

He didn't have a network, and he wasn't properly coached on how to develop one. He didn't have a clue on how to deal with people who came from a different background.

Tim was bright and personable. He just wasn't handled right.

Tim's next job was with a utility company. This company put him through an intensive two-month training course.

This grounded him in the fundamentals of the business.



*Barter is
one of those
gambits
that a sales
manager
spots because
they focus
on the big
picture*

Most importantly, it furnished him with information about the prospects and customers. It didn't matter who Tim's friends were. It mattered how well he could develop relationships once he had a solid start.

He became very successful.

Could Tim have made it in life insurance? Sure.

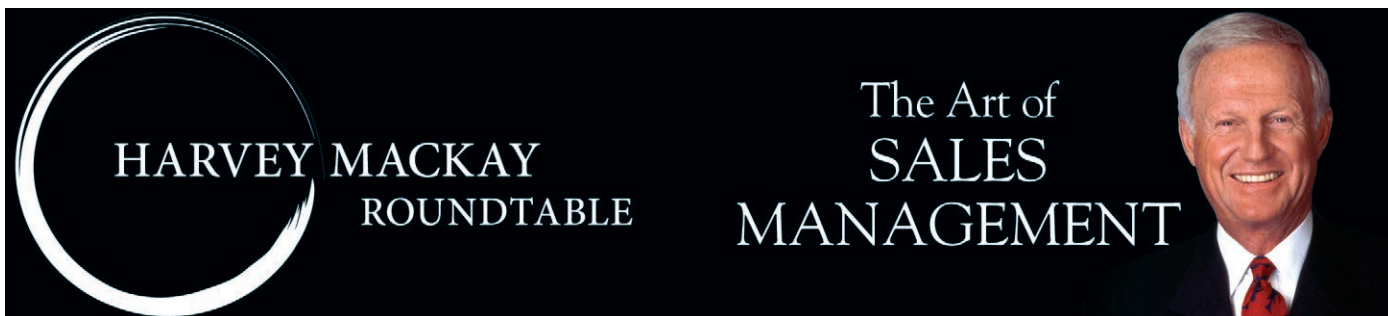
Many successful insurance salespeople didn't go to Harvard or belong to the Social Register. Tim just needed someone other than a blueblood aristocrat to show him the ropes.

In January, a pal of mine on the speaking circuit sent me a piece they spotted in *Forbes* titled "Sales Dog Teaches New Barter Tricks." He thought the article would interest me. It was about a new book on sales by Michael Dalton Johnson.

By the way, my favorite part was that *Forbes* said it was: "in the tradition of real-world, street-savvy works like *Swim with the Sharks Without Being Eaten Alive* by Harvey Mackay."

What was really interesting was what the Johnson book recommended, and that was barter.

Barter is something a sales rep never thinks of as a deal point. Barter is one of those gambits that a sales manager spots because they focus on the big picture.

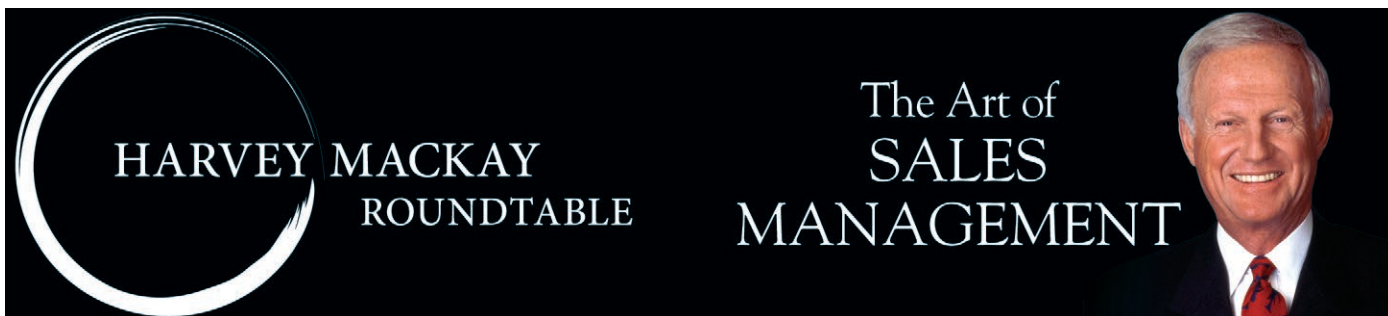


So let me add a few words about barter:

*Barter
accounts for
about 25
percent of the
world's total
business*

- They never teach it in business schools.
- When it's tough sledding for the economy, barter can be very attractive.
- The author Johnson says: "Large organizations usually have a complicated, layered, management hierarchy. You may find it difficult to finalize a negotiation in a reasonable time frame unless you have inside help. This means establishing a connection with a key negotiator within the organization. Once this person is sold on the value of what you are offering, he or she will become your champion."
- According to *Barter News Weekly*, "Almost one-third of all small businesses in the U.S. and 65 percent of corporations listed on the New York Stock Exchange are involved in some form of bartering." WOW!
- "The U.S. Department of Commerce says barter accounts for approximately 25 percent of the world's total business."

Let's stay with global business. It is a huge challenge sales managers face today. The international sales domain was unknown a decade ago, except for giant-sized firms.

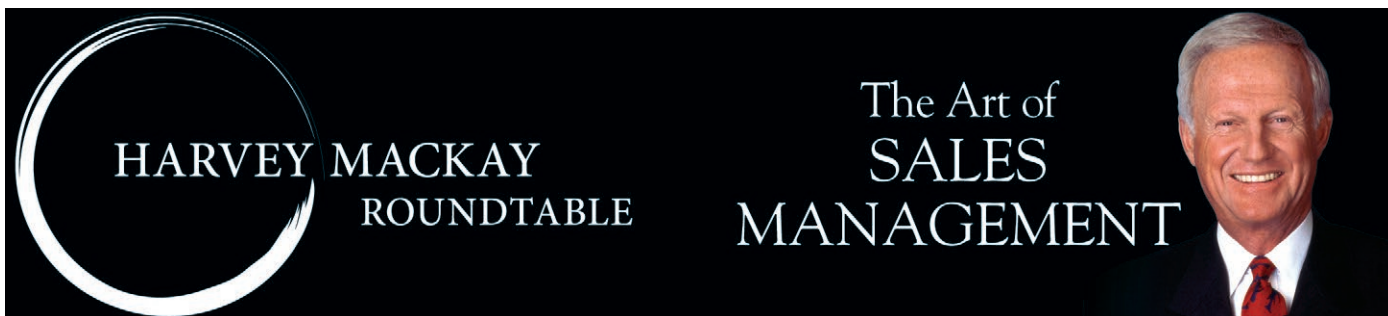


*Everyone
knows China
is changing,
but few
people realize
how fast and
continuous
the change is*

Consider China in particular. In 2010, the prestige consulting firm Booz & Company did a study about sales-force effectiveness in China. The findings were illuminating.

Some of them were unexpected:

- Everyone knows China is changing. Few people realize how *fast* and *continuous* the change is.
- Take refrigerators: “In 1998, only 9 percent of rural households and 72 percent of urban homes had refrigerators; 10 years later, these numbers had ballooned to 26 percent and 91 percent.”
- “As the Chinese consumer sector matures and the consumer grows in sophistication, sales reps must become much more adept at creating and cultivating customer relationships. [They have to anticipate] customer needs, selling and cross-selling the products as differentiated from the competition.”
- The Chinese original equipment market has moved to the replacement market, and the new customer expectations are becoming very different.
- For much merchandise, it’s like the entire post-World War II experiences of the West have been condensed. A half-century of consumer experience has been projected into ten or fifteen years.



*Your partners
better be
just as fleet-
footed and
demanding as
you would be
if you were
running the
show directly*

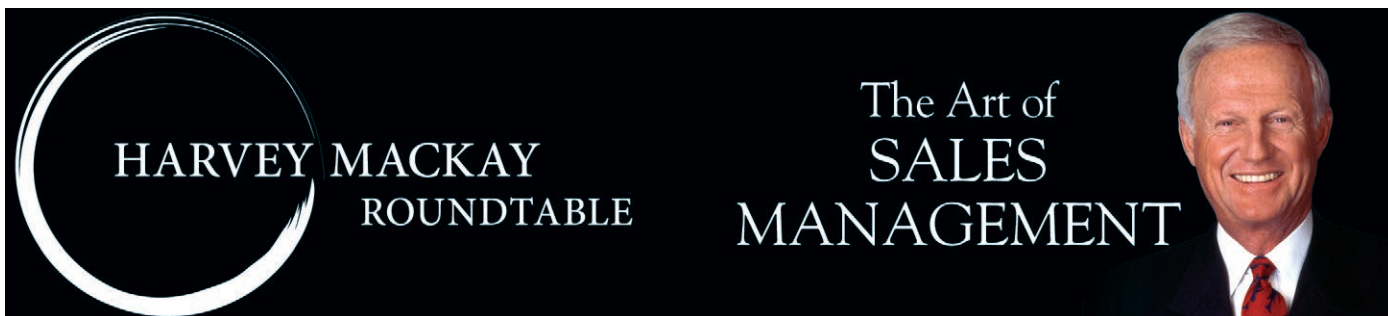
Another China study done by the recruiter Korn / Ferry says:

- Staffing positions in the Chinese “market requires a tremendous amount of adaptation at a very fast pace.”
- The sales management emphasis is on “pipeline development” in the human resource base.
- Costs are catching up both with the Chinese and the firms doing business there. At one time, non-native Chinese middle-managers were the only option. Increasingly, it’s both unnecessary and expensive to employ non-Chinese managers at senior levels.

There are options to operating directly in foreign markets. Many companies rely on venture partners or licensees to handle their sales in the Far East. That doesn’t take sales managers off the hook to be sure the job is done properly. Your partners better be just as fleet-footed and demanding as you would be if you were running the show directly.

In international sales tactics, it pays to study the experts. Luxury nameplate German carmakers have done a phenomenal job in China. That includes Mercedes, Audi and especially BMW:

- BMW has become the car of choice among Chinese officials.

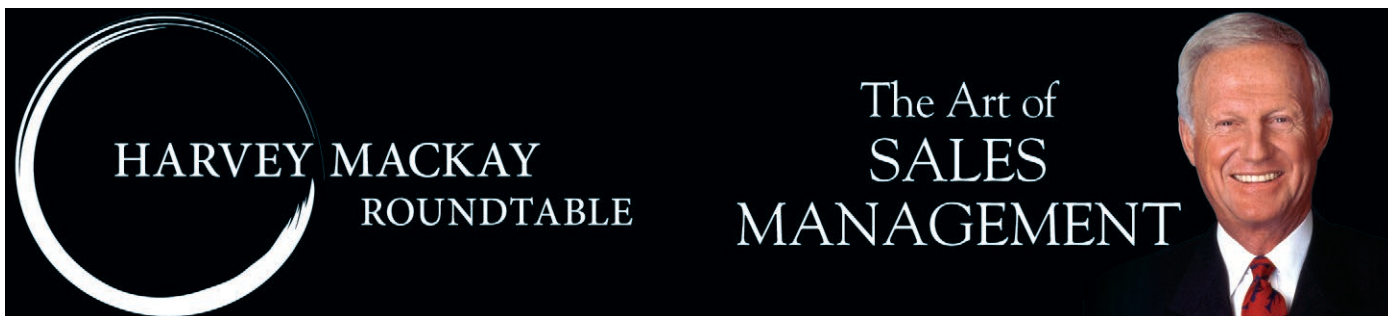


*The choice
of where
you're willing
to take your
risks has
become a key
consideration*

- “Despite an overall slowdown of the Chinese new car market in 2012, BMW [sales were] up nearly 50% over the previous year. [That’s] the fastest growth rate in the country’s Chinese premium market.”
- In the first quarter of 2012, BMW “sold more cars in China than in the U.S. for the first time.” ... “It now sells more cars there than in any other country in the world.”
- Sure, we live in shaky times. The choice of **where** you’re willing to take your risks has become a key consideration. One analyst pegged it right: “China’s importance for all German premium carmakers is big, but it’s much better to be dependent on China than on France or Italy.”
- Are the sales gains in China sheer luck? Are affluent Chinese consumers elbowing each other to get a BMW? That’s not how BMW sees it. CNBC reports: “The top-selling BMW dealership in Beijing is 4 floors, 40,000 square feet.

Among the amenities at the dealership:

- ✓ A game room with pool and foosball tables,
- ✓ 2 movie screening rooms,
- ✓ A cafe serving coffee, tea and snacks,



*Virtual
outsourcing
opportunities
continue to
move upward*

- ✓ And a VIP lounge for select customers picked by the dealership.”
- ✓ “The dealership is a template of what BMW hopes to replicate around China.”

Plenty of sales managers still think of China as a **developing** market, no matter how fast it’s moving.

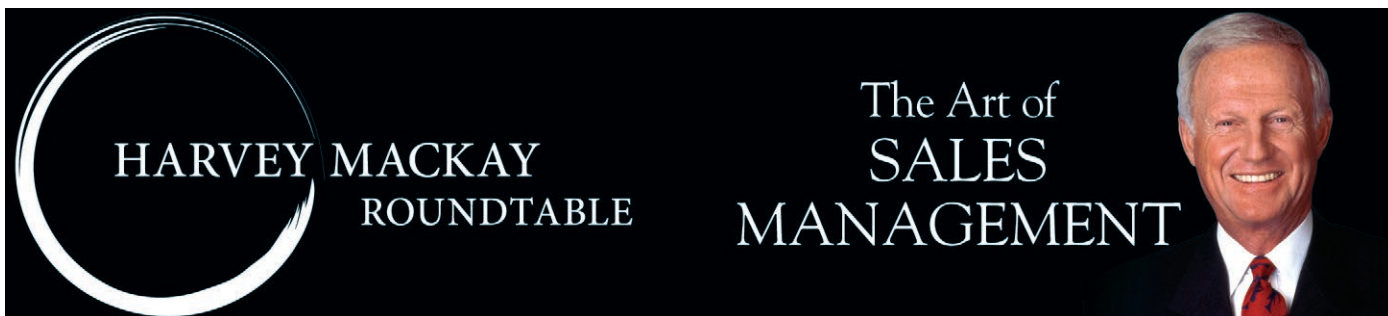
The truth is that some luxury customer service standards are actually and rapidly outstripping what Western consumers know.

If you’re smart, as I said at the outset, you follow the market and the data. You also learn to manage at a distance. That can require a whole new style of management with today’s far-flung sales staff. You may almost never see many of them to press the flesh.

I saw an article recently about how to manage virtual employees of all sorts. Some of the advice was good for all sorts of virtual employees, not just those in the Far East. That includes employees who work out of their own homes in your own town.

Three tips stood out:

1. Virtual outsourcing opportunities continue to move upward. They used to be confined to “rote tasks (such as call centers).” Plenty of the remote work is now done



*When you
staff a virtual
position, look
for someone
who is a
proven 'self-
starter'*

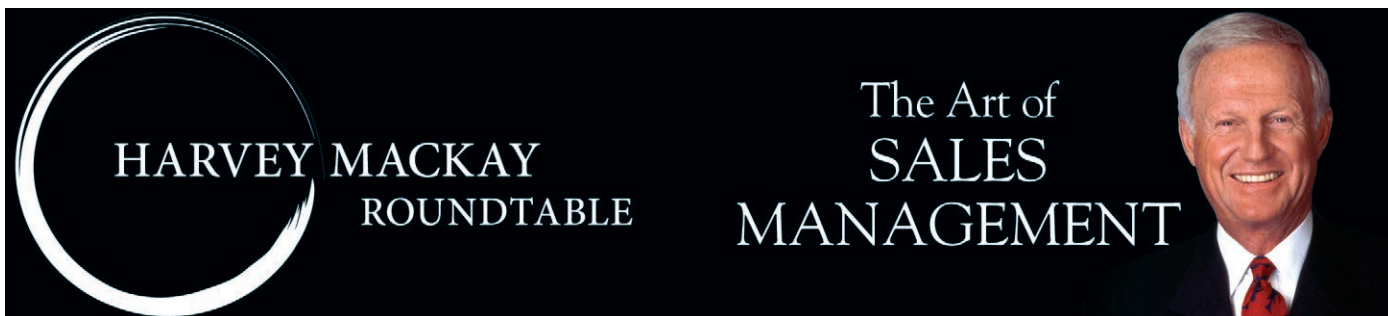
through “outsourcing higher value-added tasks in the ‘knowledge process outsourcing’ (KPO) industry.”

2. An advantage of “being isolated from the team (that is being ‘virtual’) is that isolation ‘fosters an attitude of independence and self-reliance.’ So, when you staff a virtual position, look for someone who is a proven ‘self-starter.’”
3. You should recognize another trade-off of geographical remoteness. A sales manager at a distance has to work harder to achieve loyalty and teamwork. On the plus side, “the virtual structure eliminates many political issues:” There’s less “water cooler, idle-time type of communication, and resulting issues.” However, as I said, there’s little support for both the zeal and the opportunity for finely tuned teamwork.

This virtual management article was written by a guy named David Teten (TEE-ten). It included a point that wasn’t exactly about virtual employees. But, it’s darn good advice about management and human relations.

A fellow who just celebrated his 50th wedding anniversary told Teten:

- “Everyone says that the secret to success in marriage is compromise ... but that’s completely wrong.



It's much more effective to determine that certain questions fall under the domain of one person

- “The secret to success in marriage is domains.
- “[Let’s say] you and your wife are discussing how to decorate the den. You want blue, and she wants pink. Then the compromise is stripes.
- “It’s much more effective to determine that certain questions fall under the domain of one person.
- “Then let that person take responsibility for all questions in that domain.”

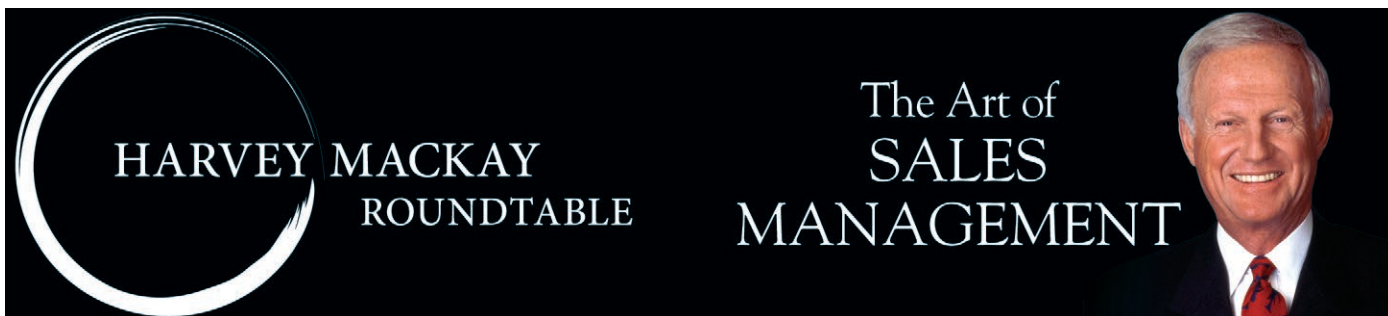
Are you giving someone total responsibility to run a remote market? Choose them carefully. Then be very careful about ad hoc tampering. Appraise but try not to interfere with their decisions.

Jill Konrath

Harvey: Our last interview resource for this module is Jill Konrath. She is an internationally recognized sales strategist and best-selling author.

Her newest book, *SNAP Selling*, soared to the #1 sales book on Amazon within hours of its release.

Her previous book, *Selling to Big Companies*, has been an Amazon Top 20 Sales Book since 2006. *Fortune* magazine selected it as



The current changes in buyer behaviors have the biggest impact on salespeople and sales managers today

one of 8 “must reads” for salespeople along with classics, such as Dale Carnegie’s *How to Win Friends and Influence People*.

Jill began her sales career at Xerox, then moved into technology sales and finally she sold services. Her clients today include companies like GE, IBM and Staples—as well as many entrepreneurial firms.

She’s been featured on *ABC News*, *Forbes*, *New York Times*, *Selling Power*, *Wall Street Journal* and many more publications. Over 100,000 salespeople globally read her weekly newsletter.

Jill is everywhere these days—and there’s a good reason for it. She’s on the front edge of what it takes to be successful today—with fresh strategies for selling to crazy-busy buyers.

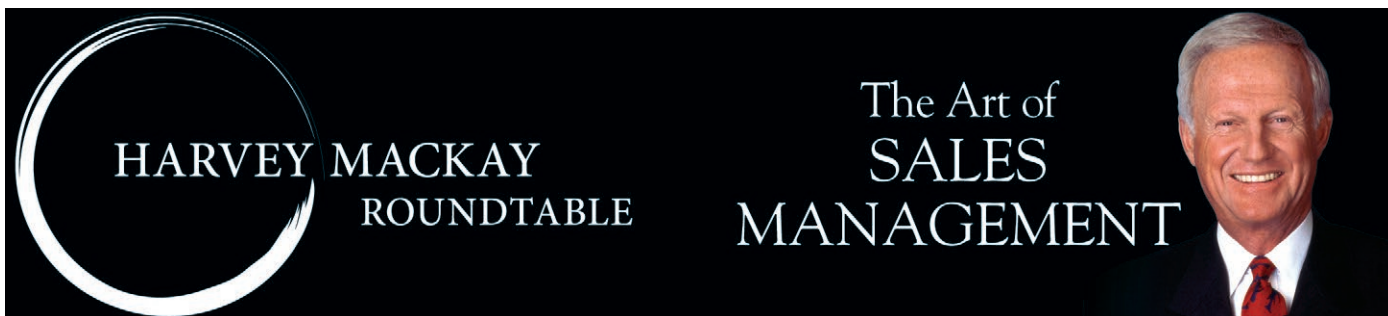
Roundtable members ... I give you Jill Konrath.

Welcome, Jill. It’s great to have you with us. I suggest we dive right in.

Right now there are so many changes happening in the buyer/seller environment. Tell me, what do you see as the biggest changes that are impacting salespeople and ultimately sales managers today?

JILL:

You know, Harvey, the biggest thing that I see happening right now are the changes in buyer behaviors.



Buyers are not reaching out to contact salespeople and sales organizations until they're 60 to 70 percent along in the decision process

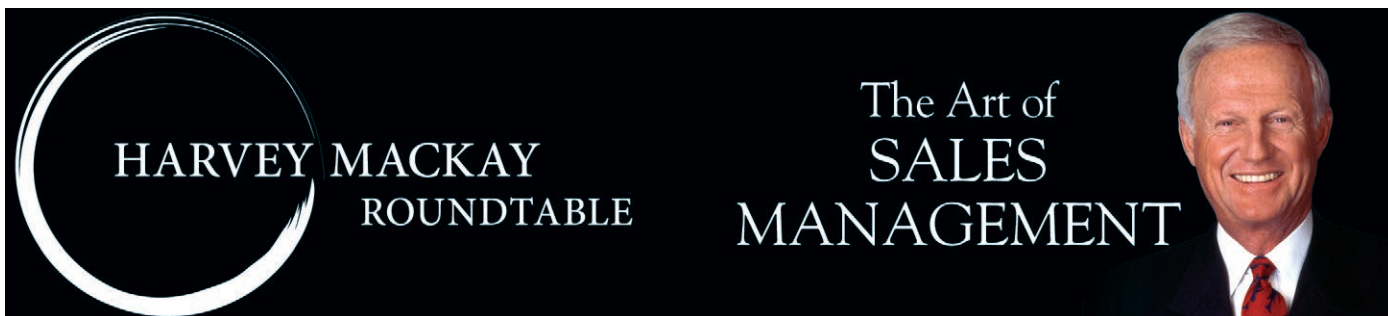
I think so often as salespeople and sales management people, we take a look at things from our own perspective, and we don't stop to look at how our customers are actually making decisions. The reality is there's some incredible research out there right now that shows that buyers are not reaching out to contact salespeople and sales organizations until they're 60 to 70 percent along in the decision process.

This means that, instead of contacting a salesperson because they want to learn about what the company has to offer and to learn more about their problem, they're going online today. I mean, it literally is changing the entire sales environment.

I think if you look at your own behavior, you're probably the same way, because I know I am. The minute I come up with a question or a problem, I go to Google and type in what I'm looking for.

I may end up on a whole lot of web sites. I pick up a little information here and a little there. I may end up in a forum, hearing people talking about the challenge or talking about different solutions that are out there. As a buyer, I really get my mind set about what I'm looking for before I actually come and talk to a salesperson.

Now, that puts salespeople in a real one-down position, because suddenly they're no longer needed for their business or their knowledge about their product or service. Instead, they're



*If you can't
get in until
that late,
you're
constantly
involved in
price battles*

brought in late, and they're asked to jump to the criteria that their buyer has already defined. So it's a late game problem that's happening, and as salespeople and sales managers, we have to teach people how to get away from that. Why?

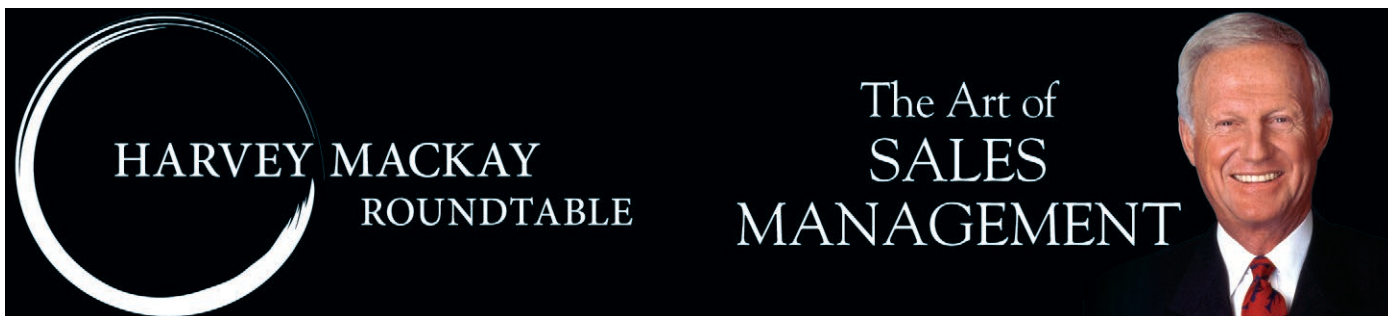
The reality is, if you can't get in until that late, you're constantly involved in price battles. So we really need to—and the sales managers really need to—understand that we need to focus on a whole different way to engage people earlier on before they're making the decisions, before they actually want to talk with you.

This requires a whole new skill set to do that than most people are used to.

HARVEY: You know, that triggered a thought with what you're saying. I'm really surprised with that 60 to 70 percent.

JILL: It's incredible.

HARVEY: Now that I analyze what you're saying. There are today buyers and purchasing managers—we used to call them purchasing agents when I got out of college. Buyers are way more knowledgeable



*Sales
managers
need to be
the change
agents out
there*

today, way more intelligent, and way more sophisticated than ever before. That's certainly right on and spot on.

Next question: What can sales managers do to help their team be successful in this ever changing environment?

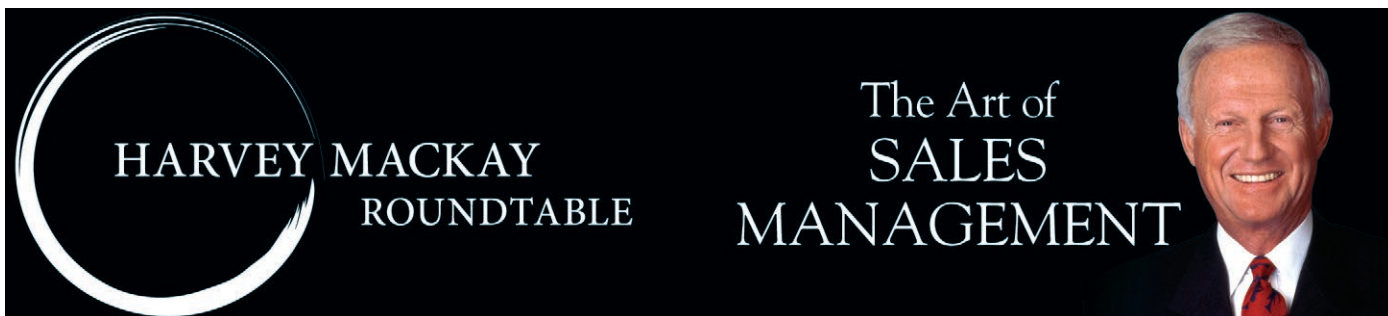
JILL:

Well, I think it really comes down to taking a look at that statistic and saying, "You know, regardless if you're calling on a purchasing agent or if you're calling on a corporate executive, we need to rethink how we do things."

Sales managers need to be the change agents out there. They need to be directing their team to doing some things that are really different.

Now, that's oftentimes hard for people who rose to the management position when times were very different, when you could make a lot of calls and get through to a lot of people, but suddenly nobody's answering the phone. They really need to realize that they have to go through a learning process as well to help their salespeople understand the changes.

The reality is, right now, rather than your product or service being a differentiator, which it isn't so much anymore because every single person who can make a buying decision knows that there are a gazillion options, it now becomes the salesperson who is the differentiator.



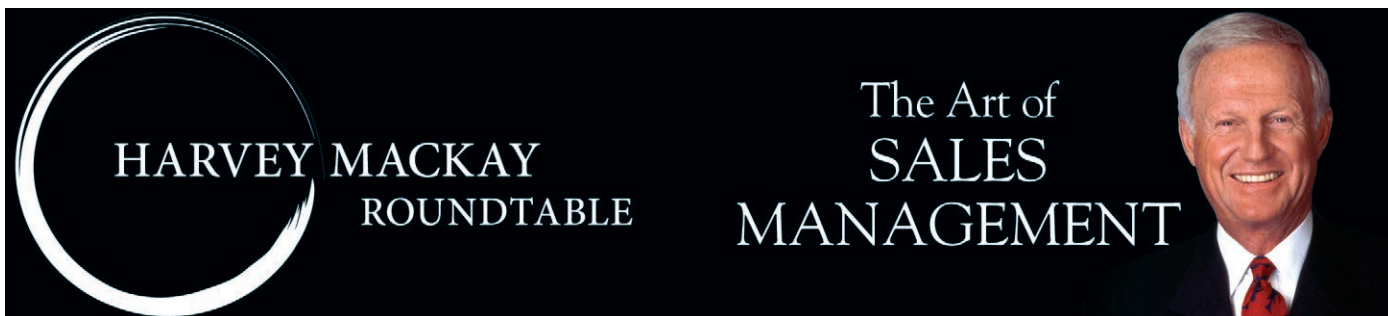
*Salespeople
today must
know a whole
lot about the
buyer and the
person who
is making the
decision*

Do they like the interaction with the salesperson—not just from a friendly standpoint of, “Do I like working with John or Joey or Jane?” but—from the standpoint of, “In working with this person, and even in my conversations with this person as I’m making the decision, is this individual adding value? Are they constantly bringing me ideas, insights, and information that can help me run my business better?”

That’s a real switch from what has to happen. This means that our salespeople need to know a whole lot about the buyer and the person who is making the decision, what his or her business objectives are, the roles and responsibilities that they have, the strategic initiatives that they have under way to accomplish their objectives, and what might be preventing them from making a change. What are those things that would suddenly trigger them to reassess what they’re looking at?

This is a more in-depth view of a buyer than most people are aware of. I know you’re really into knowing a lot about the buyer, too. I think we have to expand it even deeper and richer than we’ve ever known before, so that we can really truly have our salespeople be impactful.

They really need to be business analysts and idea providers, as opposed to product pitchers or just out there trying to make the sale. This is a real switch, and that really becomes the genesis of the sales manager’s job to make that transition in their sales force.



*The best
salespeople
are also
business
analysts*

HARVEY: Well, I love your adding value. We hear that over and over again. I especially love that term business analyst—I never looked upon a salesperson as that, but it surely makes a lot of good common sense.

JILL: When you take a look at the salespeople who you know are really good, aren't they business analysts? They really help you with the challenges that you're facing.

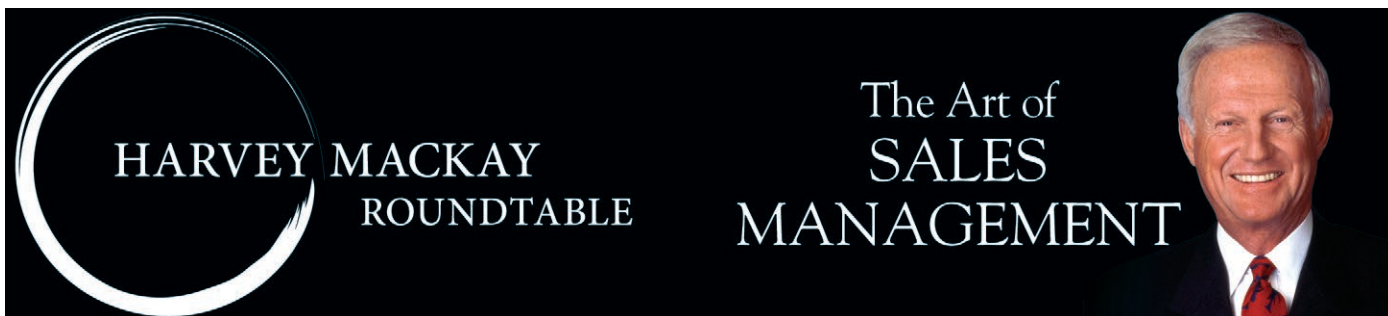
HARVEY: Yes, they surely do. I couldn't agree more.

Next question: With all of this change going on, are there any timeless truths in sales management that are still applicable?

JILL: Yes. Absolutely. You would think that this might be changing the entire game, but a good sales manager has a couple of really important jobs.

Number one is coaching their salespeople.

We have people who have to learn a whole lot of skills. We have managers who have to learn more about the business environment and the new customers and what it takes. But a sales manager who is constantly coaching their salespeople



*The essence
of what
everybody
has to do is to
get everyone
who works
for them to
become better*

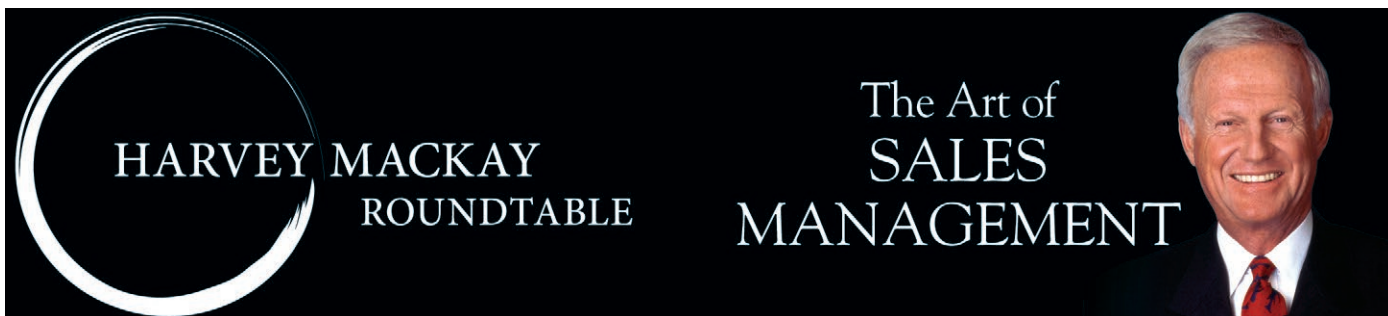
will drive entirely different results. That means not just to pep them up and to motivate them, but it actually means to be going on sales calls with them, to be observing them, to be talking with them ahead of time to see what kind of research they've done to prepare for the call.

To be a truly good sales manager, they need to suggest that their salespeople might need to do more if they want to be more effective, to take a look at the preparation they have for the call in terms of what are they planning and to ultimately look at what they've prepared and see if it's effective, to provide guidance hopefully before their salesperson goes on a call, and then to listen in after or follow along or attend that event with the salesperson.

They need to be constantly working with the salespeople to improve, because the essence of what everybody has to do is to get everyone who works for them to become better.

I think there are a lot of times you can talk about hiring "A players," but there are not enough "A players" to go around. There's a whole slew of "B and C players."

Our job is really to take those "B and C players" and raise the bar for them. We have to focus on coaching, because they're not going to get better on their own.



To me, that's one of the main things that a sales manager can do that's timeless. Coach, coach, coach your people. It makes the biggest difference in the world.

The biggest room in the world is the room for improvement

HARVEY: You said “constantly improve.” I don’t know if you’re familiar with this or not, Jill, but one of my favorite sayings is, “The biggest room in the world is the room for improvement.”

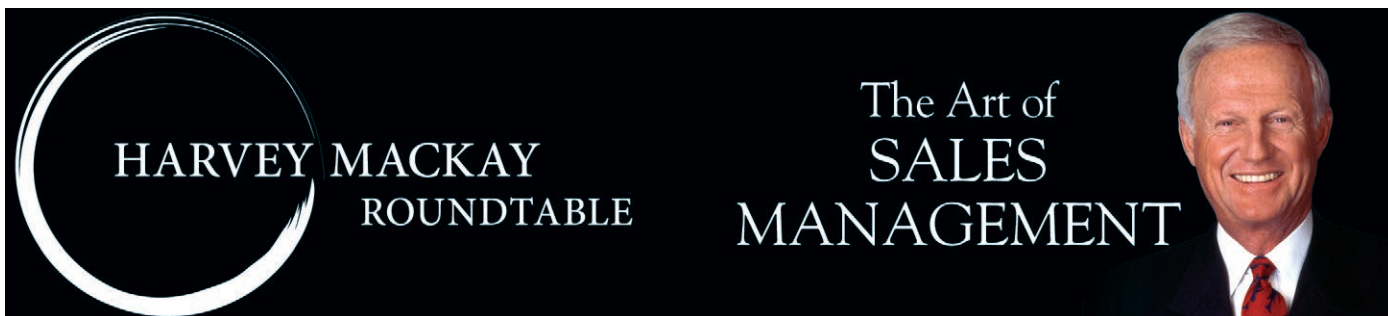
JILL: That’s great.

HARVEY: I thought you’d like that.

JILL: I do. I love it.

HARVEY: I remind myself of that virtually every single day—eight days a week. All right. Let’s continue on.

Let’s talk about lead generation. Sales managers are always concerned about getting more prospects in their pipeline. What recommendations do you have for this?



*Work on
what you can
do to turn
your web
site into a
hub of great
information
that will
attract ideal
prospects
for your
salespeople*

JILL:

Well, this is really important, because everywhere I go, lead generation is the biggest topic I hear from sales managers. How do we get marketing to give us more leads and better leads?

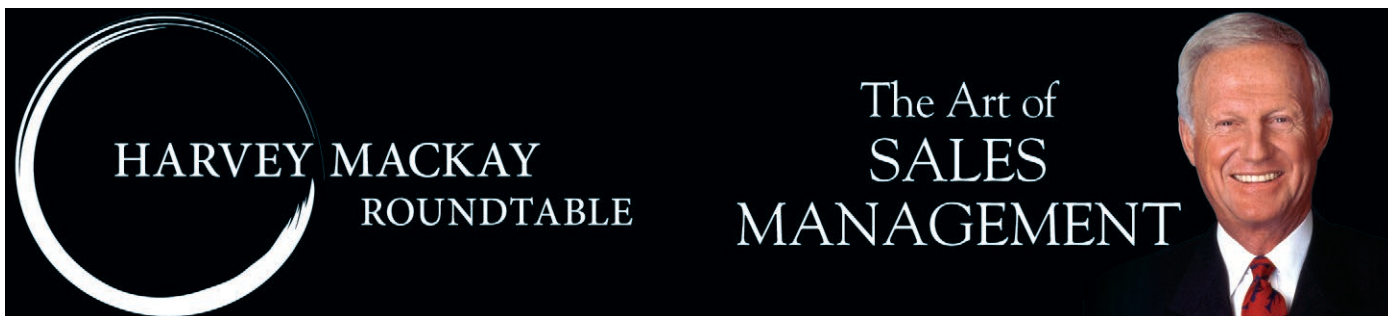
The reality of it is that sales managers have to work much more closely with marketing than ever before, and they may have to educate marketing, as well.

The last thing salespeople need are a bunch of crummy old leads from people who aren't really interested. So a sales manager should work with marketing and should clearly define who makes a good prospect—what positions, what kinds of companies, what levels, what issues and needs and concerns they might be facing.

They need to clearly define that as one start, but also then to work on what we can do to turn our web site into a hub of great information that will attract these people.

Once we know who we want to attract, and we define the leads, now we can determine what we can do to turn our web site into a place that people will go to find out good information that is filled with rich articles and how-to pieces that can help people make the decisions or address the problems.

Remember, people are going online, so our web site becomes the real spoke and the hub of our business.



*You need
to get your
marketing on
board with
your sales
and have
them working
together*

I don't think nearly enough businesses pay the proper attention to providing the right kind of content and then to capturing the names and email addresses of those people who have stumbled onto their site. Those are the hottest leads.

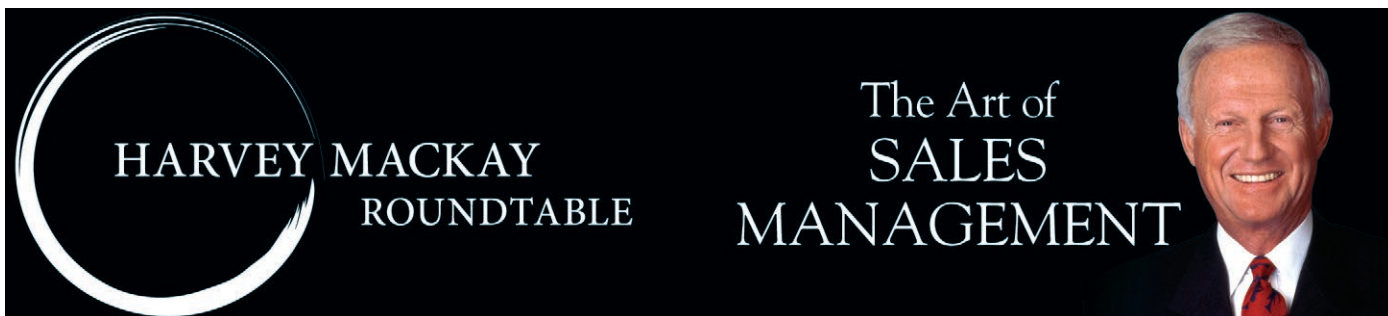
Those leads are typically people who are interested at some level in issues that you can solve or in your products or services.

I think it expands beyond the salespeople and just making enough calls. It really is a very intercompany-type thing in terms of the fact that we need to get marketing on board with sales. We need to work together, not apart.

HARVEY: Okay. Just a couple more questions. In your book, *SNAP Selling*, which is just a terrific read, you talk about the challenges that salespeople face in dealing with today's crazy business-overwhelmed buyers.

How can you help sales managers better prepare their sales reps to deal with this issue?

JILL: Well, to me it's one of the most overriding issues I see that nobody's paying attention to in the market. With every single organization I go into today—and you probably see the same thing—everybody's got too much to do and not enough time



*Sales
managers
need to
understand
the four
criteria that
prospects
base their
decision-
making on*

to get it done. In addition, they have fewer resources, in many cases, than ever before.

Therefore, the kind of behavior that happens when this is going on is the people, especially those at the front end of the sales cycle, are making snap decisions.

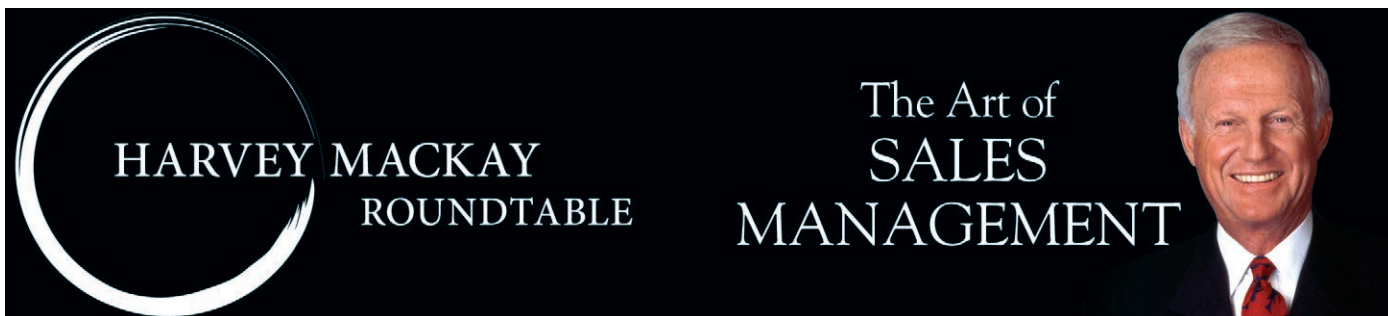
I mean, a phone call comes in, and they don't answer it, because they're too busy and don't want to be interrupted. So they roll it to their voice mail. They sit with their finger on the delete button as they're listening to messages.

I'm guilty of it, as well. When I say this, I know that just about everybody kind of goes, "Yeah, yeah, that's me too." It's the same thing with email, as we're getting our hundreds of email messages a day, we're sitting with our finger on the delete button as we go through them as fast as we can—taking almost a perverse pleasure in getting rid of people out of our inbox.

So this is the snap decision, and it's the overwhelmed decision: I don't have time for all of this stuff.

What we have to do to combat this is we have to teach salespeople how to reach out to people in a very different way, and I'm talking specifically about prospecting.

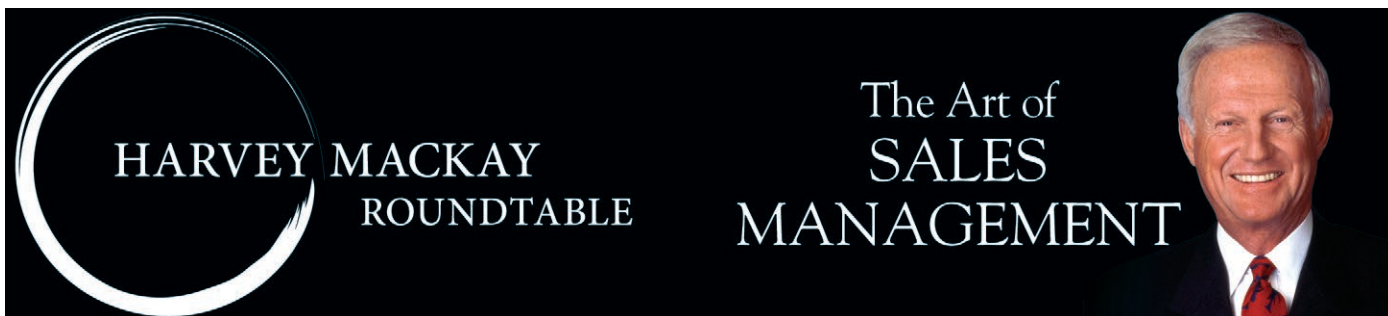
If sales managers understood the four criteria that their prospects were making decisions on, they could help their salespeople be much more effective in getting them on the



phone and having conversations. The four criteria go along with the SNAP; it's an acronym.

A salesperson who can align their message with the priorities will have a much higher chance of connecting with their prospect

1. **Simple**—Is the message simple, or is it complex? Crazy busy people will delete you in a nanosecond if your message is long or if it kind of rambles. You need to get to the point. So is it simple or complex? **Simple is key.**
2. **iNvaluable**—The second thing they are evaluating is, Does this person sound like a salesperson? In other words, is this the same message I'm getting from everybody else, but just different fill-in-the-blanks with companies, or does this person sound like they have ideas, insights, and information that can be valuable? Because **they want an invaluable resource.** That's the N, invaluable.
3. **Alignment**—This is the third thing that they're looking for, and again, this is a decision that's made in five seconds or less. Does the person align with my business objectives? **Relevance is crucial.** If they can't tell where the alignment is in that five seconds, they will delete the message from that salesperson.
4. **Priorities**—finally, they're looking at priorities. Is this a priority? I've got so much else to do. So a salesperson who can align their message with the priorities will have a much higher chance of connecting with their prospect.



The salespeople should put themselves in the prospect's shoes and evaluate if they would pay attention to this message if they were the customer

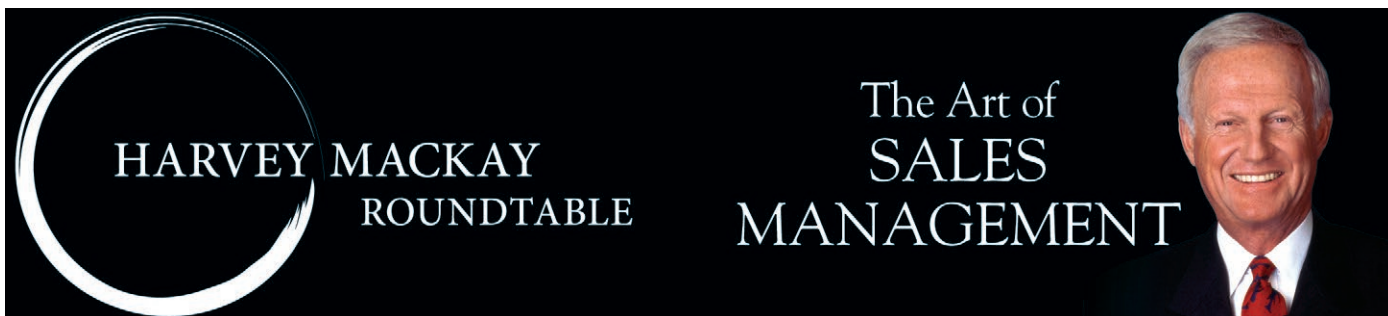
Now, this changes the messaging entirely at the front end of the sales cycle. Sales managers can teach their salespeople ways to do this better, and they can actually have them listen as if they are customers. The salespeople can put themselves in the prospect's shoes and evaluate if they would pay attention to this message if they were the customer.

This is a coaching mechanism that managers can use to help their salespeople be effective with today's crazy busy prospects.

HARVEY: Okay. Last question, Jill. What one or two people influenced you the most, and why?

JILL: I think there were two people who have had a huge impact on my career. The first person was my first sales manager, Diane Gulbrandson, from when I worked at Xerox. Probably the overriding reason that she had such an impact on me is that she believed in me when I didn't.

I was trying out sales. I was seeing if it would work, and she saw something in me that I didn't see. She coached me. She told me, "You can do it." She was constantly there, challenging me to take it to the next level, and I don't think I would be here today if it wasn't for her.



*How can I
give away
my stuff for
free and still
make good
money doing
it?*

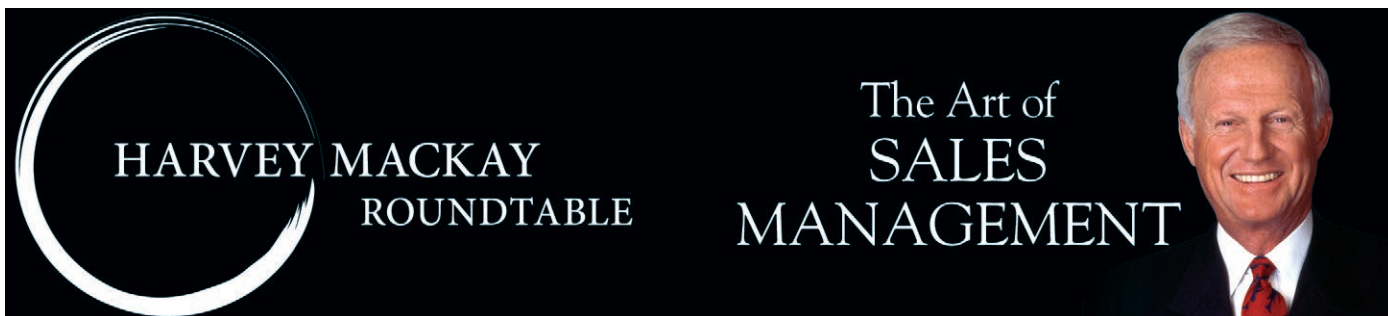
The second person who influenced me is more recent. It's a guy named Chris Anderson. I have never met the man, but, about five years ago, he published an article about *Free* and has a book on the same topic. His real philosophy is that, with the Internet, free is everywhere, and we have to learn how to leverage free.

So using that concept about free being what people expect today, I have changed my entire business model, personally, in order to impact more people than I've ever impacted before, as well as to drive revenue. It's a fascinating concept to explore.

How can I give away my stuff for free and still make good money doing it? That's the question I've been working with for the last five years and asking it. More and more ideas have popped into my head over that time, which have changed everything I do.

HARVEY: Well, first of all, to say, "She believed in me when I didn't," about your Xerox mentor, that's quite a statement.

Then, for you to have never met the man, Chris Anderson, yet how he impacted you, well, that reminds me of a saying that over and over again, Charlie "Tremendous" Jones would say. You may have known Charlie; he was a good friend in NSA that we share that worldwide organization together. He said,



*No one will
turn down
a raise,
but that's
not what's
driving
the best
performers*

“Our lives basically change in two ways, the people we meet and the books we read.” And that’s just so ever true.

Well, Jill, truly my heartfelt thanks. They don’t pay off on effort; they pay off on results. Having followed your career over the years, you surely know how to get sales results.

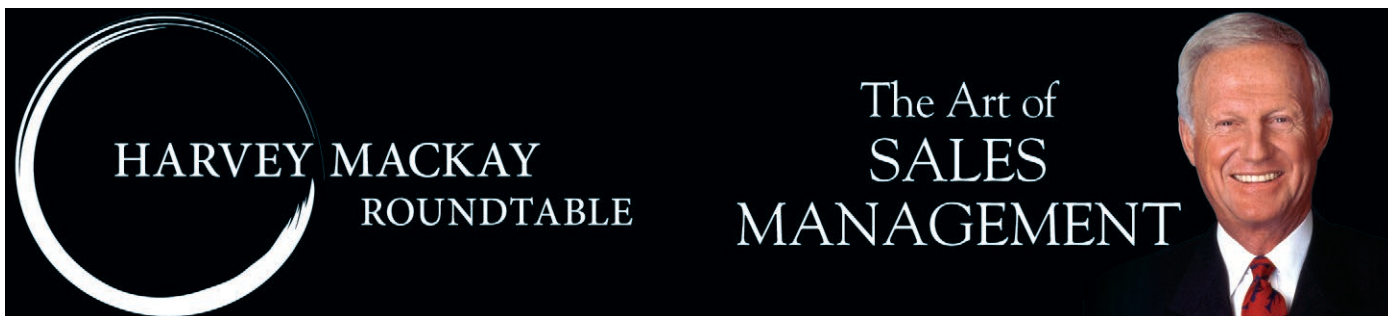
JILL: Thank you so much, Harvey. It’s my passion in life.

HARVEY: We’ll be in touch. See you at the next NSA convention.

JILL: I look forward to it.

HARVEY: Next, I want to talk with you about Lisa Earle McLeod (mac-LODE). She is an author with some other counter-intuitive thoughts about sales management. She’s written a book titled *Selling with Noble Purpose*. Here are some of her conclusions:

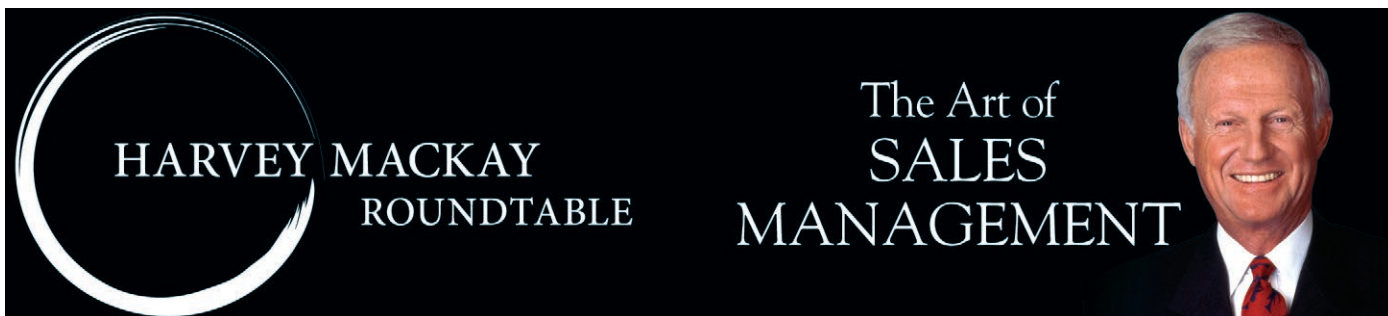
- No one will turn down a raise, but that’s not what’s driving the best performers. They focus instead on “the positive impact the product has on the customer.” Think pharmaceutical reps who are motivated by a desire to



*For
motivation,
nothing
matches
rock solid
conviction*

cure cancer. Or consider those truly convinced salespeople who earnestly believe in their company's ability to "make people's jobs easier [in customer companies.]" For motivation, nothing matches rock solid conviction.

- "When the manager talks to that sales rep, ask them, 'How will this customer be different as a result of doing business with us?' If every coaching conversation includes that question, that alone will have a dramatic impact."
- "Get off the script.... The human mind hates uncertainty, and the best way to avoid that is to control every aspect of the interaction... Be OK with a little uncertainty ... The best sales people manage the duality of being very goal driven and being comfortable with ambiguity and uncertainty."
- "It's not about 'the close.' ... The real problem was in the beginning.... It's like looking at an athlete who loses the race by 15 feet and saying, 'you need to run faster at the end,' but no, you need to train better six months ago. Successful sales start by truly understanding the customer ... If you don't have the purpose of improving your customer's condition, there's no magic technique ... at the end of a sales call to help you close it."



*It's their
priorities,
not yours,
that drive
the buying
decision*

- Lastly, McLeod makes this observation: “Your Customer Relations Management (CRM) system may be hurting your cause.... It’s usually designed around an internal perspective ... It’s information that’s helpful for senior leadership to understand about customers. And that information is important, but it doesn’t help make your sales call better.”

Said differently, your CRM picture of the customer may focus on their “order history.” That’s swell for you to know, but it may not have a thing to do with the customer’s present strategic priorities. It’s their priorities, not yours, that drive the buying decision.

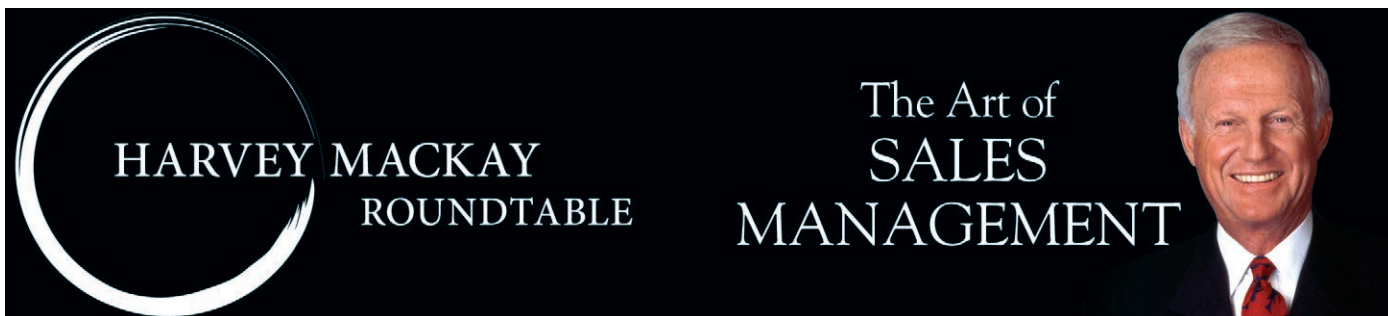
At the get-go today, I said that sales had become much more precise and exacting.

Sales is no longer a big monolith. A descriptive term has become popular. It really does justice to the change:

Sales have become GRAN-U-LA-TED.

Sales used to be one big lump. That lump has been shattered into a multitude of increasingly transparent crystals.

This term—GRANULATED—figured big in a 2012 sales management seminar. It was called “The Changing Face of Sales Management” and presented by the founder of ***Selling Power*** magazine.



Technology breakthroughs in sales management, especially using social media, are popping up non-stop

One of the participants talked about the deep reach that technology has in the new world of sales.

Let me give you the flavor: 80% of most sales-support effort in enterprises has been to improve contact, account or order management. But, the sales automation world is much wider. [It includes:]

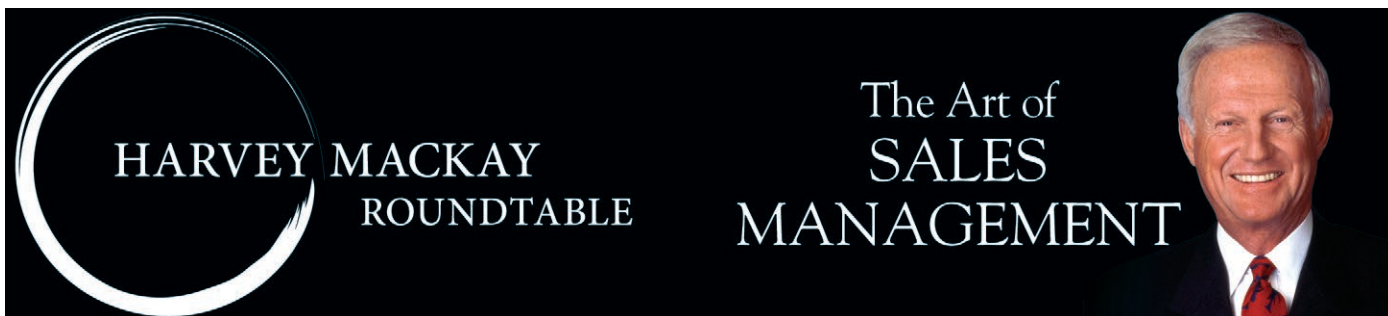
- A variety of laptops,
- desktops,
- smartphones and
- tablets.

The list goes on and on. You get the idea.

A back-slapping peddler doesn't have a ghost of a chance without advanced technical tools.

Every day, each one of these technical tools gets better and better at replicating detailed execution. Technology breakthroughs in sales management, especially using social media, are popping up non-stop.

I liken social media's impact on sales management to the asteroid that may well have collided with the earth 65 million years ago. It probably annihilated the dinosaurs. Well, social



*The two
#1 uses of
LinkedIn
B2B are
to promote
products and
services and
to generate
leads*

media—I guarantee you—is already extinguishing *sales* dinosaurs in much the same way.

Take LinkedIn. A sales manager better know the ins and outs of Open Link Networks and the advantages of 1st Degree Connections. The numbers say that LinkedIn is the leading core sales tool for sales professional selling business-to-business.

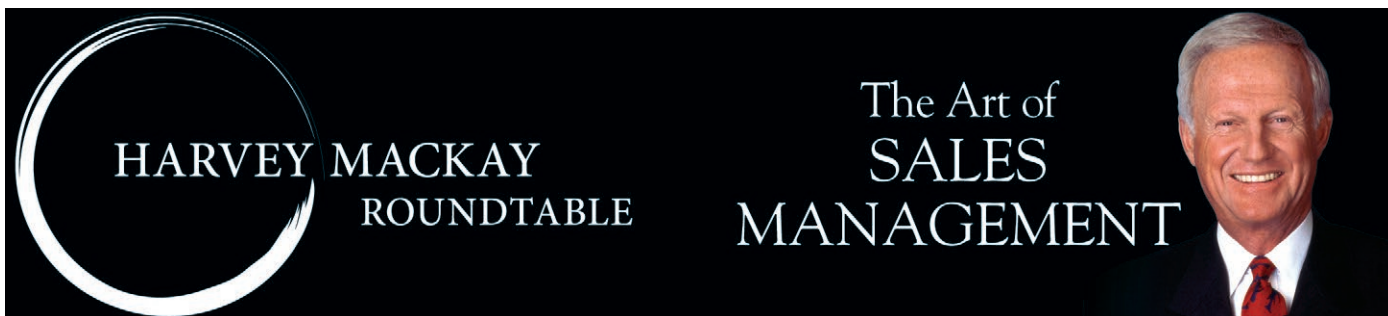
The two #1 uses of LinkedIn B2B are to promote products and services and to generate leads. Two lesser applications are to track industry trends and to build brand image.

A recent piece I saw on social media and sales pointed to the shifting winds on social media mastery.

BEFORE, social media dexterity could give you a leg up. That wherewithal has now become a defensive must:

“When a lead is qualified, social media can then be effectively employed to move the lead through the sales pipeline. **Failing to employ social media in the sales process leaves your company vulnerable to competitors that are savvier in this area.**”

The recruiting industry has surely felt the wallop of social media. That punch includes the impact on staffing sales positions in any business.



*Social
networking
and ever-
growing
networking
skills are
expanding the
acquaintance
base of the
average
employee*

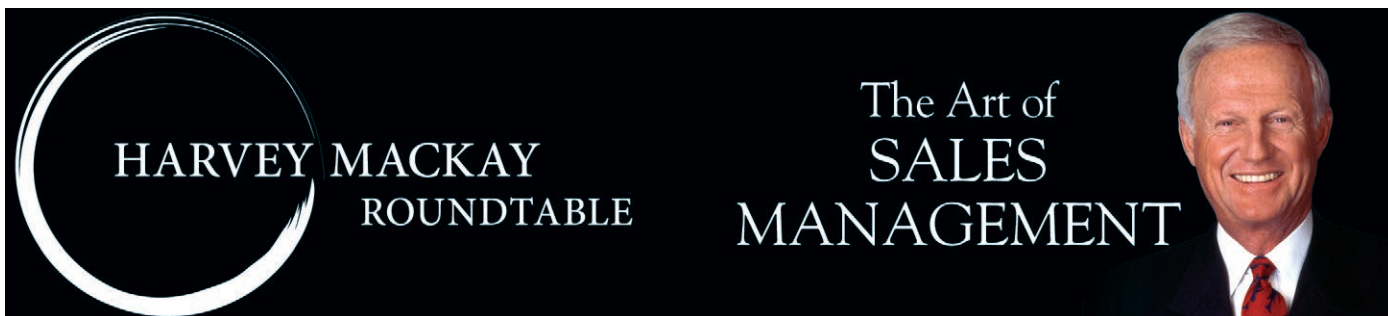
Earlier this year, a *New York Times* piece caught my eye. It described how companies like Ernst & Young and Enterprise Rent-A-Car have changed their staffing practices. These firms are relying on their own staff to surface the names of candidates for job openings.

Some companies are even giving away iPads and big screen TV's as incentives for successful leads.

Several points are worth noting:

- First, it's likely that many of these candidate names are going to come from inside the company, if a business is a large one.
- Second, social networking and ever-growing networking skills are expanding the acquaintance base of the average employee. Those names will be both people in and outside the company.
- Third, your own people are likelier to know who fits easily into your company culture than an outsider. The estimated improvement in retention rate for insider-initiated hires is approximately 15%.

This tactic can save plenty in search fees, but there's a downside ... and it's a big one. HR specialists and economists call it "associative matching." People tend to recommend



*Always be on
the lookout
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change the
destiny of
a business
franchise*

people much like themselves. If you have an inbred culture that's low on diversity, this tactic could only make it worse.

You have to learn to trust your gut.

If you or your sales manager is putting together a team, be confident when you spot talent. And, always be on the lookout for that one superstar who can change the destiny of a business franchise.

In the 1950s and 1960s, Bill Russell was a thunderball center with the Boston Celtics. A five-time NBA MVP and a 12-time All Star, Russell acted as the power generator in a Celtics dynasty that nabbed 11 NBA championships.

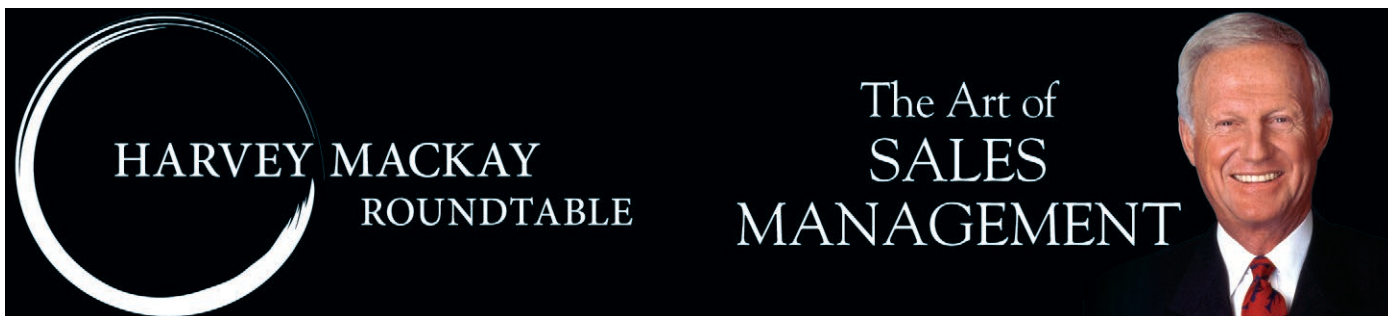
Bill Russell's backstory deserves a careful look.

He was cut from his junior varsity high school team. Then came McClymonds High School in Oakland, California.

You see, when Russell was in the 11th grade, Russell was cut from his high school's junior varsity basketball team. Right afterward, the school's varsity coach approached Russell. "Do you want to play on the varsity squad?" the coach asked him.

Bill Russell was bewildered. How could he?

"I just got cut from the JV Team," Russell explained.



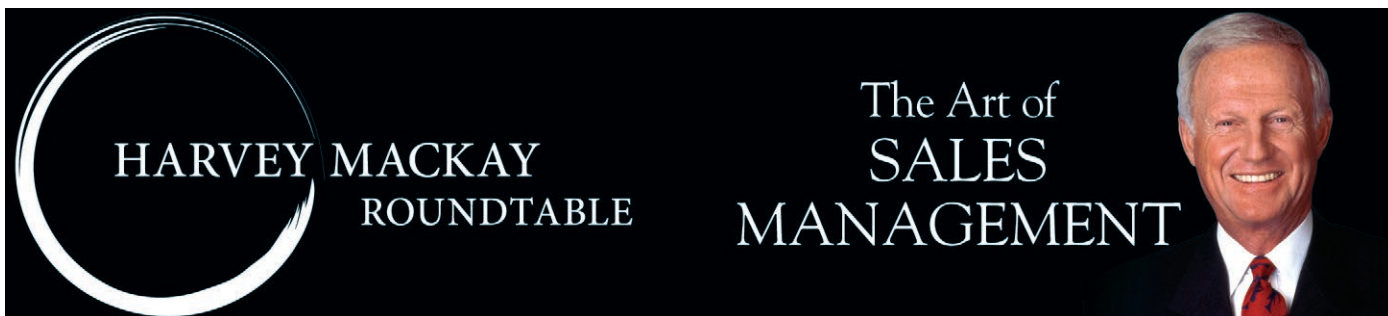
*Create the
environment
where we can
beat our goals*

This coach answered: “Bill, I’m not coaching the *junior* varsity squad.” Russell accepted ... and his victory track on hardwood thereafter never ended.

College-football coaching legend Paul “Bear” Bryant had some formidable advice for winners. They also happen to be the five things top sales performers need to hear from their managers. I’ve added my own business twist to each of the Bear’s advice.

1. Tell me what you expect from me. (Or, as I say, agreements prevent disagreements.)
2. Give me an opportunity to perform. (I say create the environment where we can beat our goals.)
3. Let me know how I’m getting along. (I want constant, immediate, unfiltered feedback.)
4. Give me guidance when I need it. (Or, as I say, let me do the job you hired me to do, but don’t let me sink if you know how I can swim better.)
5. Reward me according to my contribution. (In other words, pay me according to my worth in the marketplace.)

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excel. That's why I see sales management as the heartbeat of business success.

That's why the principles I've touched on in this session—especially the ones related to the Internet—need to be absorbed and studied so carefully.

That's it.

It's a wrap.