

## AN EXCLUSIVE STUDY REVEALS WHAT SEPARATES MOTIVATIONAL LEADERS FROM MERE MANAGERS

Are you a leader? Or just a manager? What's the difference, you ask? If you don't know, you're probably in the wrong job. A leader energizes and motivates a sales force to achieve seemingly impossible goals. A manager makes sure the sales process works. A leader has a powerful sense of mission and purpose. A manager makes sure all

**THE 7 TRAITS OF** reports are in on time. Leaders innovate.

Managers...well, they manage. Lest you think this is a bunch of New Age business-seminar babble, know this:

in the twenty-first century, understanding the

difference between leading and managing is

understanding the difference between winning and losing in cutthroat markets. "Global competitiveness is so

intense today, and there's so much sameness in products, that you will succeed or fail ninety-eight percent of the

**BUSINESS GREAT LEADERS**

time because of your company's people," says Herbert Greenberg, founder and CEO of Caliper, a

human resources consulting company in Princeton, New Jersey. "And the quality of the people in a sales

force comes down to the quality of its leadership. Pure managers make the system work, but leaders make

things happen. They make the people around them better." ♦ Put in more practical terms: "Every time you hire a

**BY GEOFFREY** leader who doesn't maximize people's potential, you lose market share," says Tom Black,

president of Private Business Inc., a Nashville-based software company. ♦ *Sales & Marketing Management* recently

commissioned Caliper to conduct a survey aimed at identifying the personality traits of great sales leaders.

In this exclusive study, Caliper assessed the attributes of 172 sales executives—some of whom are quoted in this

story—from 105 companies **Reprinted from SALES AND MARKETING MANAGEMENT MAGAZINE**

representing more than 50 industries. Those executives were selected for study by their supervisors because they were the best leaders in their organizations—the kind of people senior management

don't make good leaders.”

Raymond McDermott, vice president of sales for Sentrol Inc., a security equipment maker in Tualatin, Oregon, says he has no problem being assertive

convinces his reps to boost their performance. “I like to see my employees succeed, and I get a real sense of satisfaction out of persuading them to do better,” Kinard says. “I’m only as

## *Caliper* found that the best leaders share a number of key personality traits.

would like to clone,” Greenberg says. Caliper found that, as a group, the best sales leaders shared a number of key personality traits—such as a sense of urgency, openness to new ideas, and a desire to take risks—which are outlined in the following pages.

If you're an executive who not only leads a sales organization, but hires and develops other leaders, it may be time to assess yourself. Evaluating your own leadership capabilities is every bit as important as analyzing sales territories and crafting compensation plans—arguably more so. After all, you weren't put in that corner office to manage—you were put there to lead. “One of the distinguishing characteristics of great, enduring organizations is that they put a lot of thought into the development of leadership,” say Jim Collins, who should know something about leadership. He's the coauthor of the acclaimed *Built to Last: Successful Habits of Visionary Companies*.

You can begin to put thought into this subject by asking yourself whether you and the executives you hire possess the following seven key leadership traits identified by Caliper's study:

### **1. YOU MUST BE ASSERTIVE**

There's a lot of talk these days about how sales executives must be great coaches and counselors. How they must coax, cajole, and, in some cases, coddle their reps. Never, ever, are they to command.

*Pub-leez!*

You know it, we know it, and the Caliper study reveals it: The best leaders are still the ones who know when—and how—to get tough. They know how to assert their authority. “Assertiveness is the backbone of leadership,” says Jim Marcrum, group vice president of D.A. Stuart, a specialty chemicals company in Chicago. “If you don't stand up for your own beliefs and goals, you can't expect anyone to follow. Wishy-washy people

when the situation calls for it. “I believe in being direct about issues and problems—I don't put off situations and let things fester,” he says. McDermott recently had to confront one of his managers who, he felt, was not spending enough time on the road with his reps. The manager had said he wanted to spend more time with his family. Bottom line: The manager was out with reps 50 percent of the time; McDermott needed him to be on the road as much as 80 percent of the time.

“I sat down with him in my office and clearly explained that I understood that his family is critically important,” McDermott says. “But I also reminded him that this is the job he took. I said to him that if he wants the money—he's paid very well—and the prestige, then he has to be out in the field with his reps to do his job successfully.”

McDermott offered the manager another position in the company, one that would have been more administrative. “That's not his forte, and I knew that, but I wanted to give him a choice,” he says.

According to McDermott, the manager didn't like the conversation. But he wanted to keep his position, so he got the message. “He's now doing what I asked him to do—no conflict, no argument,” McDermott says.

### **2. YOU MUST POSSESS EGO DRIVE**

Ego drive is the desire to persuade. And if you didn't like to persuade people—if you weren't thrilled with getting the “yes”—you wouldn't be in sales in the first place. Salespeople live to convince customers to buy. But sales leaders aren't just interested in persuading clients, they're driven to convince reps to take action.

Dennis Kinard, regional vice president of GBS Printed Products & Systems Inc., a business forms company in North Canton, Ohio, gets a rush when he

good as they are. My results are measured on theirs.”

Kinard manages a salesperson who's been a top performer with the company for 13 years. But last year, the rep's sales fell off largely because some of his key accounts had gone out of business. Rather than cultivating new business, though, the rep simply bemoaned his bad luck, and let his performance plummet.

Kinard scheduled a performance review with the rep in January. He saw the meeting as an opportunity to persuade the rep to start generating new business. “I sat down with him over lunch and didn't highlight the fact that his numbers were down and that he could be in jeopardy—that would've been the typical management approach,” Kinard says. “Instead, I told him that he has the ability to perform better, that he'd proven himself in the past, and that he was probably one of our best reps at cold calling. I told him if he utilized his talents for cold calling, everything would turn around for him.”

To put the rep at ease, Kinard chose to conduct the review over lunch rather than in his office. “I feel it's really important, whenever you're coaching or counseling someone, to get in a comfortable environment,” he says.

According to Kinard, the rep responded “positively” to his approach—he didn't feel attacked or put down. And the meeting produced immediate results: In March the rep had his best month in two-and-a-half years.

### **3. YOU MUST POSSESS EGO STRENGTH**

It's been said that great sales professionals are like Hall of Fame baseball hitters—they succeed only one out of every three times they come to the plate. When a rep loses a sale, he has to have the ego strength that allows him to maintain his optimism and move on to the next call, lest a bad attitude hamper his

performance. Sales leaders have an additional burden: Not only do they have to bounce back from rejection, they have to make sure their reps rebound, too.

And sometimes that rejection can be hard to take. Just ask Timm Hayes, national sales manager for D. A. Stuart. He, along with one of his area managers, a rep, and a product manager for the chemical company, lost a \$2.5 million deal earlier this year. “We felt a huge let-down—it was heartbreaking,” Hayes says. “We thought we were in the driver’s seat, and when we found out we weren’t, we were shocked.” D. A. Stuart had been in touch with the prospect for more than two years.

Hayes’ first step in handling the rejection was simply to cope with the emotional impact. “I asked my team how they felt about it on a personal basis,” he says.

Within a day of the rejection, Hayes and his team met again with the prospect and asked for feedback on why they lost the sale. “This is something I try to build into my sales force, that if you don’t get to the next step with the customer, or if you lose a piece of business, it’s not unreasonable to ask why you failed.” While Hayes feels that some of the reasons the customer gave were “bogus,” he concedes that perhaps his team hadn’t formed a strong enough relationship with the prospect company’s key contacts.

Within a week, Hayes met with his team to evaluate what it felt it did right, and what it could have improved. “I first wanted us to reflect on what we had done right, because it’s important to take stock of this,” he says. “Then we reviewed our weaknesses. One of the areas where we thought we were weak was that perhaps we hadn’t been thorough enough in our presentation to the prospect,” he says.

Whatever the situation, the key to

their careers, I tell them. They have to learn from their mistakes.”

It’s an approach that makes his salespeople feel better. “Timm understands the business, and he understands rejection, because he’s been in the trenches,” says the rep who worked on the lost sale (he asked not to be identified). “He’s extremely positive, and he helps us stay positive.”

#### 4. YOU MUST BE A RISK-TAKER

In a competitive marketplace, the winners are often those leaders who are willing to “try, dare, even make fools of themselves,” Caliper’s Greenberg says. “In sales, leaders are always taking risks. Should you hire this person, make that deal? With so much sameness in products, the leaders who do the tried and true—who are risk-averse—will let the world pass them by.”

In some cases, taking on a new client can be a risky proposition. Greg Whitman, marketing and client services manager for Pace Analytical Services, Inc., a Minneapolis-based environmental services laboratory, saw six of the top managers at a customer’s firm leave the company to start their own environmental consulting business last year. (Pace’s customers are consultants and businesses that need chemicals analyzed for compliance with environmental regulations). At first, none of Pace’s competitors wanted to sell laboratory services to the new firm before it had established a track record. “The environmental field is such a stressed economy that it can be a big problem getting paid for the work we do,” Whitman says. “None of the other labs wanted to do business with them without a credit check.”

Whitman, however, saw opportunity where others feared to tread. He had done business with one of the principals at the new company and trusted him. “I

such a deal without running a credit check. “I told them I knew the guy and that I had a good gut feeling,” he says.

Whitman clearly risked embarrassment, but his gamble paid off. The new firm paid its first bill within 30 days and continued to send Pace work during the next year. What’s more, the consulting firm has grown rapidly, from one office with six employees to four locations with 60 employees. “We do laboratory work for all of their offices,” Whitman says, noting that Pace has already garnered \$200,000 in business from the new client.

“I knew that if I took a risk with the firm and others didn’t, [the principal] would remember that I had shown faith in him, and that he’d repay me by doing more work with me than with the competition,” Whitman says. “From time to time, you have to take risks.”

#### 5. YOU MUST BE INNOVATIVE

Hand in hand with being a risk-taker is being innovative. Great leaders know that the “old ways” of doing things aren’t always the best ways—especially in a rapidly changing marketplace. “It’s critical in the twenty-first century that you stay open to new ideas, because things aren’t the way they used to be fifteen to twenty years ago,” says Hayes of D.A. Stuart.

Case in point: Hayes manages a rep, Paul Dyne, who last year formed a close relationship with a major account. The client had shown interest in doing business with multiple D.A. Stuart offices around the world. Dyne asked Hayes if he could act as the manager of the account, since he was the one who brought the client into the fold. This sounded fine, but there was a problem: D.A. Stuart’s salespeople are organized geographically. If Dyne, who is based in Texas, managed accounts in other regions, salespeople in those regions

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Founder and CEO of Caliper, a human resources consulting company in Princeton, New Jersey.

getting reps to cope with rejection, Hayes says, is to help them quickly put it into perspective. “I tell them that we have to evaluate our performance, and then move on,” he says. “Rejection is a part of the game in sales. Losing a sale won’t end

sold him our services on a handshake a week after they had started their business because I knew he was good for his word,” says Whitman. He admits that he was grilled by skeptics in Pace’s accounting department as to why he would make

would feel encroached upon. Indeed, an Indiana rep openly questioned what was in it for him if Dyne managed the account in his state.

“This business wouldn’t have existed if Paul hadn’t brought it in, but at the

same time, we didn't want to step on the Indiana rep's toes," Hayes says.

Hayes solution: Dyne would manage the early phases of the relationship with the client in such states as Indiana, Alabama, and Missouri—and he'd be rewarded for transactions made during those phases. Over time, Dyne would then turn over the business to local salespeople. D.A. Stuart would, in turn, reward him with a higher commission rate on all business he does. "We'll never take his higher commission rate away," Hayes says. "This is a reward for having formed this relationship."

Hayes considers his solution an innovative one at D.A. Stuart, "A few years back, we would've said to Dyne, 'No, that's not your territory—there are geographical guidelines we must follow,'" he says. "But we decided to go against the grain. We saw an opportunity for the company to grow. As a result, we have a major relationship with a manufacturer. We're putting together a national contract that no one is competing with us for. This is going to turn into a national and international account."

## 6. YOU MUST BE URGENT

In a customer-driven marketplace, the need to get things done now is critical to winning and keeping business. Wait until tomorrow to submit that proposal, and a hungry competitor might get in the door ahead of you. Leave at 5:30 instead of staying late to address a client's problems, and that client may be someone else's before long.

Sales leaders know this, which is why they constantly communicate urgency to their staffs. "Everyone understands the importance of urgency, but few people in sales management really have it," Marcum of D.A. Stuart says. "In my opinion, urgency is almost like the continental divide that separates great leaders from just managers."

When Sentrol recently discovered that one of its security products had a manufacturing defect, McDermott arrived at his Oregon office at six in the morning the next day so that he could contact distributors across the country to explain the problem and recall the product. He made sure he walked around the office that morning, too, to convey the urgency of the problem to his early-bird sales reps, who were already working the phones.

"I lead my salespeople by example," he said. "They know I was the only vice

president here at six dealing with the problem. They know I'm serious about this."

Whitman recently had to convey urgency to his staff when Pace's labs won a large project to perform ground water analysis for a joint venture between two oil companies. "I told my sales rep and project managers that this was a high-profile project and it was a highly competitive bid," Whitman says. "I wanted them to know that we were going to show the client that we could work on this quickly. If we could get our foot in the door with this client, there would be a long-term benefit for all of us."

So before the ground water samples arrived, Whitman cleared his lab's workload and set up double shifts straight through a weekend—an unusual move for Pace. As a result, the lab completed the project in five days—the client had thought it would take ten.

For Whitman, the benefits were two-fold: The client has given Pace additional business—the lab has already garnered half a million dollars from the account—and the project set a new standard of speed and efficiency for the lab. "We proved to ourselves for that week that we could double our productivity and do more than we could ever do," Whitman says.

But Whitman cautions against urgency for its own sake. He says he has to "pick and choose" when to be urgent, lest his staff burn out. "Not everything is an emergency," he says. "Just because a client is having an emergency, doesn't mean it has to be an emergency for us. We want to feel a sense of urgency, but we can't do it for every project."

### HOW THE STUDY WAS CONDUCTED

Caliper, a human resources consulting company headquartered in Princeton, New Jersey, administered a paper-and-pencil assessment test to 172 sales managers—representing 50 industries—identified by their companies as the best. The Caliper assessment measures more than 30 different personality characteristics that make people successful leaders. For this study, the results were merged into a composite profile depicting the characteristics of the group as a whole.

## 7. YOU MUST BE EMPATHETIC

Sales leaders are tough, driven, daring. But they also have a heart. They possess as much compassion as they do competitive fire. "I think that every salesperson wants to know that their boss is an advocate for them," says Black of Private Business.

Earlier this year, Paula Gerhold, manager of sales for Walt Disney Attractions Inc. in Orlando, met with two new reps at the company's national sales meeting. The reps, Carrie and Marcy, wanted to discuss their idea for running co-op advertising with regional travel agencies in a travel magazine. The salespeople were enthusiastic about the project, but hadn't really thought it through. For instance, they lacked essential information to initiate the project: the publisher of the magazine, the deadline for producing the ad, mechanical specifications, etc.

"A bad sales manager would have slapped their hands for what they didn't know," Gerhold says.

But she took a gentler approach. Gerhold told them that she shared their enthusiasm but that they needed to gather more information, which she clearly spelled out. "As someone new to Disney, I was feeling overwhelmed, and Paula helped build my confidence," Carrie says, "She had a true understanding of what I was going through."

Carrie and Marcy returned to Gerhold soon after with a detailed plan for the ad campaign. "I thought they had a brilliant idea, and I didn't want to squelch their enthusiasm," Gerhold says. "It's just that reps sometimes have enthusiasm but not a lot of details. Being an empathetic leader means listening and understanding, and helping them to understand," she says.

But Gerhold knows that an effective leader isn't just a shrink or a cheerleader. "Being empathetic," she says, "also means getting your people to take action." ♦