



Unleashing the Power of Front-Line Sales Management

By Brad Wilsted

Companies pour enormous resources into growth. From sales force training and compensation to investments in sales processes and technology, organizations relentlessly seek to pull the right levers that will drive revenue growth and improve sales effectiveness. These efforts frequently end up with disappointing results, however, because most companies neglect the most powerful lever in their arsenal: their front-line, field-level sales managers who directly coach, influence and guide sales reps on a daily basis. This group has the potential to drive significant growth and is the key to improving nearly every aspect of sales team performance, yet it is usually overlooked – often viewed as just a supervisory layer rather than a critical driver of improved sales results.

There is a direct and compelling link between front-line sales manager effectiveness and top-line revenue performance. In one study, Wilson Learning Worldwide found “high-skill” sales managers drove 29% higher revenue performance and 16% higher customer satisfaction than managers with low-skill ratings. These results were due entirely to sales manager skills, independent of the skills of their salespeople. In another study, by Vantage Point Performance, researchers discovered a 39% difference in revenue performance between the top and bottom quartile of 518 sales managers in Fortune 500 companies. In this study, top managers brought in an average \$3.5 million more in revenue than their lower-performing peers.

Simply put, highly effective front-line sales managers drive growth; ineffective managers hinder growth. Unfortunately, in many organizations front-line sales management leans more toward the “ineffective” side of the scale. In a 2017 survey of more than 200 senior executives about revenue growth, Blue Ridge Partners found:

- Almost 7 in 10 firms struggle with sales manager time allocation
- More than 4 in 10 sales managers lack the data/metrics to manage their sales reps effectively
- Nearly 8 in 10 companies do not have a formalized sales management process, specifying management activities, cadences and metrics
- Roughly half of the companies fill manager positions by elevating their best reps, who often lack the requisite skills to manage effectively
- Very few had formal, repeated sales manager training programs

These gaps exist because the front-line sales management role is rarely considered a problem spot. When executives theorize about what's driving their sales growth and effectiveness challenges, most point first to their compensation plan and/or sales rep talent. Some suggest secondary issues such as poor targeting, ineffective technology or gaps in the sales model – all of which seem to make sense. On the surface, the logical solution to a sales problem is to fix sellers or to fix the tools and processes around those sellers. Consumed by this lower-level focus, the most critical role in the sales organization is simply not on most executives' radar screens. Almost no one is asking themselves the key question: "Do I have a high-performing group of front-line sales managers who are doing all the right things to move the revenue needle?"

That's a huge opportunity for organizations of all sizes.

Why Front-Line Management?

What makes the front-line sales manager such a potent influence on performance? The role drives improvement in three ways, each of which has a powerful impact on growth.

First, great front-line sales management drives revenue lift. Companies that invest in sales manager training – coaching and development, establishing a good sales management cadence, holding sales managers accountable for specific activities and results, following the Company Way of managing, etc. – experience a significant lift in the performance of their sales teams, typically in the double-digit percentage range.

Second, front-line sales management drives continuous improvement. Strong field sales managers hold their teams accountable for performance – and constant improvement of that performance – through a daily and weekly cadence of interactions with their reps. Ongoing and effective coaching reinforces desired behaviors, drives reps toward clear performance goals and pushes everyone on the team toward success so team performance isn't riding on just one or two superstars.

Finally, great sales management drives long-term growth by helping attract and retain top sales talent. Strong managers understand what 'good' looks like in a sales team member and will be more likely to hire high-talent individuals as well as provide the right coaching to accelerate their ramp-up and ensure strong growth in their territories. High-performing sales managers are not satisfied with average sales reps and therefore drive turnover or talent upgrades where required.

These three benefits show up again and again when organizations focus on improving the effectiveness of their front-line sales managers. When a global finance and accounting services firm sought to reverse a steady decline in revenues, Blue Ridge Partners proposed a

number of initiatives, the most important of which was an upgrade of sales management talent. For many years, this firm had been filling front-line sales manager positions with accounting and finance professionals. These folks were great at controlling costs but knew little about managing salespeople and driving a revenue engine. Just two quarters after overhauling their sales management team and putting several other changes in place, the company saw improved sales activity and revenue stability, paving the way for long-term growth.

The magnitude of sales management influence on top-line performance cannot be overstated. This is a huge – and widely under-used – lever in steering the sales organization toward improved results. Most executives miss it because they get focused on their sellers, their compensation plan, their sales process and other related issues when trying to address revenue challenges. But high-performing companies understand that sales management is their key point of leverage in the sales force and their most powerful opportunity for driving growth.

5 Characteristics of Great Sales Managers

Once executives understand the crucial importance of this role, they begin taking a closer look at their own front-line sales managers. But many find themselves wondering what they are looking for. What does great front-line sales management actually look like? And how do you determine whether your managers are meeting that standard? The most obvious differentiator of great front-line sales managers is their ability to create and drive a sales team that consistently meets or exceeds team sales goals. But what behaviors and characteristics do they exhibit in generating this level of performance?

After nearly two decades working with more than 500 companies around the world to accelerate top-line revenue growth, we have identified five key characteristics that set great sales managers apart from their lower-performing peers. These are the characteristics that companies should hire and train for in order to drive consistent, strong sales growth in their organizations.

CHARACTERISTIC #1

They are laser-focused on hitting their numbers through building the right high-performing sales team. High-performing front-line sales managers assume real ownership of their teams, their revenue goals and the sales assets required to hit those goals. This ownership mentality manifests itself in several key behaviors:

- World-class sales managers are deeply involved in the sales rep recruiting/hiring process and are not comfortable outsourcing it to HR.
- They build and maintain a pipeline of high-quality recruits, enabling them to quickly replace low-performers at any time, thereby minimizing the impact of open territories.

- They are constantly evaluating sales rep performance and are quick to replace reps who, despite great coaching, can't or won't hit their sales targets.
- They become experts at onboarding new sales reps, reducing their time to productivity and revenue generation.
- They are constantly coaching average performers to achieve higher performance levels.

Most sales organizations struggle to consistently identify and attract high-quality sales rep candidates. As a result, they often retain weaker performers, believing it is better than having an open territory. Or they hire replacement reps who aren't any more qualified than the one who left. At the same time, much of the hiring process is usually done by a recruiting or HR function, leaving mediocre managers feeling minimal accountability for the performance of the new hires. This leads to them to make excuses like, "I missed my goals because I had three underperforming sales reps" or, "I couldn't hit my numbers because I had two open territories for half the year." You'll never hear those kinds of statements from high-performing managers, who place recruiting and talent development among their top priorities. They "own" their team targets and take whatever actions are necessary to hit them.

CHARACTERISTIC #2

They constantly reassess sales territories to optimize results. Front-line managers often inherit outdated sales territories that are out of sync with current market/competitive dynamics, that are not aligned with sales reps' capabilities, and that carry quotas which are not well correlated to the market opportunity. Lower-performing sales managers usually don't think to question or change those territory structures, maintaining the status quo even when sales growth is lacking and the number or capability of sales reps changes.

Great managers don't accept existing territories as unchangeable. Instead, they frequently review the make-up of territories, asking themselves whether and how they should be realigned to optimize growth. Most undertake a territory reassessment at least annually during the fiscal planning process and many also re-evaluate territories and quotas whenever new hires are onboarded. In doing so, they consider four critical factors:

- What is the best way to group accounts into territories to capitalize on evolving market dynamics and opportunities?
- Which accounts (e.g., new vs. existing, small vs. large, significant vs. limited existing business, etc.) should I group to accelerate growth? How many of those accounts can a single rep manage effectively? Does the territory size align with sales rep capacity?
- What sales skill sets and capabilities (e.g., hunter vs. farmer, outside vs. inside, generalist vs. specialist, etc.) are required for each territory?
- What sales goals and targets are appropriate given the opportunity in the territory?

In evaluating and re-designing territories, top managers leverage their knowledge of the market to set sales targets that are aligned with the growth opportunity. They also leverage their understanding of individual reps' capabilities to create territories that play to their reps' strengths, maximizing each seller's chances of achieving sales targets.

CHARACTERISTIC #3

They keep their sales reps relentlessly focused on the highest-priority accounts. Basic human nature leads the average rep to gravitate toward accounts that feel comfortable, regardless of potential revenue outcome. These are the accounts where reps have good relationships or that are convenient – “on the way” to other accounts. When this natural behavior intersects with management that neglects to engage reps in thoughtful territory planning and prioritization, or fails to show a pathway to achieving sales targets through prioritized targeting and activity, the result is consistently lower-than-expected sales performance.

Our studies of over 500 sales forces have found that sales reps who consistently hit their sales targets spend over 70% of their time on “A” priority accounts. Great managers know this. They know that where their sales reps spend time directly impacts their ability to hit their numbers. They therefore work closely with sellers to keep their behaviors and activities focused largely on the highest-priority accounts. Specifically, world-class sales managers work with reps to:

- Prioritize every account in the territory, clearly defining those that are the highest priority. They also update those priority levels frequently as new account intelligence becomes available.
- Measure activity levels to ensure sales reps are focusing at least 70% of their time on the highest-priority accounts/prospects and minimizing the time spent on low-priority accounts.
- Develop an account plan and a sales target for the highest-priority accounts, defining specific actions required and creating a clear link between account plans and individual quotas.
- Use those account plans regularly as a coaching tool to review results and define the actions likely to produce sales results.

CHARACTERISTIC #4

They leverage data and metrics, not intuition, to drive accountability and results. Great front-line sales managers understand that sales is more science than art. They employ a fact-based, data-driven approach to managing and coaching their sales teams, creating a factory-like ‘sales system’ and cadence which quality sales reps can pair with their selling skills to produce great results.

While solid metrics underpin this performance, top managers aren't lured into the trap of trying to track the dozens of metrics that overwhelm most sales teams. Instead, they focus on a small, manageable set of metrics and leverage it to steer individual performance in the right direction. This proactive approach to measuring activity and driving accountability occurs in three stages:

- First, great managers define a consistent, manageable set of activity and pipeline metrics proven to drive sales results. They avoid the typical results-oriented reports with dozens of metrics that are not actionable or not directly related to hitting sales targets.
- Second, they deploy a regular cadence for measuring, collecting and communicating these metrics. They understand what a rep needs to do weekly, monthly and quarterly to hit sales targets and they measure these actions regularly to stay ahead of potential gaps and opportunities.
- Third, they use their metrics-tracking to drive coaching conversations, keep reps on track, and ultimately lead them to results. Unlike the managers who obsess over deals that are due to close, high-performing sales managers focus coaching conversations on the weekly, monthly, and quarterly actions that will enable sales rep success.

CHARACTERISTIC #5

They are coaches, not managers, who are out in the field, not behind a desk.

Many front-line sales managers were once high-performing reps that got promoted and were never trained to effectively manage a sales team. Lacking the knowledge to lead, these managers often resort to what they do well – closing deals – and become de facto closers for their reps. Or they believe 'management' means they have graduated from being in the field and can direct their team from behind a desk. Both of these approaches limit reps' development opportunity and reduce a manager's leverage in driving growth throughout the sales team.

Great managers are constantly working to improve the performance of every sales rep on their team because they know it's the best path to hitting the collective sales target. The ability to help individual reps consistently improve is a critical point of leverage. As a rep's performance improves through coaching, they require less oversight, freeing managers to help more reps – a virtuous cycle which ultimately makes it easier to hit team sales goals.

Knowing the power in developing every individual on a team, great managers learn to become great coaches who do five critical things:

- They spend more time in the field with reps and customers than they do behind their desks.
- They use ride-alongs to provide real-time feedback in live selling situations. Throughout the week/month, they provide ongoing coaching that is proactive and targeted.
- They have a clear focus on action items and specific dates for follow-up to make sure critical deals are moving forward.

- They leverage a regular cadence of feedback and metrics-driven performance review, asking each rep a consistent set of questions weekly, monthly and quarterly so that reps learn to stay focused on the right things.
- In addition to immediate improvements, top managers help their reps create a plan with longer-term objectives to enable critical skill development. They periodically review progress towards these objectives, helping reps adjust the plan as needed. Though often overlooked, this kind of personal career development guidance can be a powerful tool for retaining high-performing reps.

Institutionalizing Great Sales Management

It is highly probable that your organization has at least one or two sales managers who meet these criteria as excellent individual managers can be found in nearly every company. The bigger question is this: How can business leaders create a high-performing sales management function that consistently drives superior top-line performance? Because while high-performing individual sales managers can move the revenue needle for a single team, it takes a high-performing sales management function, in which every manager is consistently delivering excellent performance, to shift the revenue growth trajectory for the entire company.

This doesn't happen by accident. High-performing, high-growth companies intentionally create an environment, a structure and an organization that methodically produces sales management excellence. They are rigorous in their focus on this role, understanding it is one of their most powerful drivers of sales results. In particular, we have found that high-growth companies do seven things to create a great sales management engine that drives sustainable, long-term growth.

- 1. Hire the right sales managers.** Companies with consistently excellent sales management performance define a specific set of criteria around leadership, coaching, and other people management skills that they seek in candidates for sales management roles. They know what good sales management looks like and they have a program to vet candidates for those skill sets. So often, companies pour resources into understanding and hiring to the competencies for sales rep success but fail to bring the same level of introspection to the much more critical management role.

While the specific management competencies will vary from company to company, the bottom line is that managers must know how to manage. They must know how to motivate people and hold them accountable, how to coach and develop sales reps, how to structure territories and match them to a rep's skill sets, how to leverage data and use it to drive performance. This is a far different set of skills than those needed to become a top seller, which is why high-growth companies don't automatically put their best reps into the management position to give them a career path upwards. Instead, they maintain a pipeline of great management candidates – which may or may not include some of their high

performing sales reps. When an opening comes up, these companies know it is critical to fill the position with someone who meets the criteria proven to produce star managers, even if it means sourcing from the outside.

- 2. Establish a Company Way for sales management.** In a typical company there are often as many different approaches to sales management as there are managers. Some lead by gut feel; others rely on metrics. Some help their reps close deals; others don't. Some are constantly in the field; others lead largely from the office. But like any high-performing machine, sales management needs a structured, predictable set of inputs to produce the desired output. Companies must have a standardized "Way" for sales management. If everyone is left to manage as they wish, best practices cannot be replicated across the organization and overall results will suffer.

The best sales organizations create systematic, scalable management processes with well-defined cadences of activities that happen every week, month and quarter. They set clear objectives for manager-rep interactions, and they use a consistent set of leading indicators that drive the right activities. World-class companies codify these processes, cadences, and metrics in a sales management Playbook (the "Company Way" for sales management) that is used by all managers to produce consistently strong results. These organizations also equip sales managers with tools, such as cascading dashboards, that provide a quick snapshot of critical metrics in comparison to targets, that enable meaningful coaching interactions, and that facilitate the execution of required sales management activities.

- 3. Provide meaningful training.** In our first article, we observed that when sales performance is below expectations, leadership tends to direct attention and training dollars on poor-performing sales reps, leaving managers to fend for themselves. Many companies assume that salespeople who are promoted to sales manager must somehow know how to manage other people (they have experience with being managed, after all) and that training them is unnecessary. And it is assumed that managers who came from outside must know what they're doing, even though chances are very good that they never received any training at their former companies either!

Organizations with outstanding sales management capabilities develop robust training programs for their sales managers, including onboarding as well as initial and recurring training – not just on how to effectively manage salespeople, but on how to manage them the Company Way.

- 4. Implement a cadence of coaching and feedback for sales managers.** Many sales leaders assume their development job is done once they bring good sales managers into the organization. That could not be further from the truth: front-line sales managers need coaching and feedback every bit as much as sales reps. Given the demands on the front-line manager role, focused coaching by sales leaders often makes the difference between

adequate and superior performance. Many outstanding sales managers credit a former boss or mentor with helping them unlock their potential.

High-performing sales organizations require that sales leaders coach their front-line managers using a structured approach, consistently delivered at defined intervals. Coaching typically focuses on topics around core sales management skills – such as managing performance through metrics and coaching reps – and holding managers accountable for results. In addition, good coaching and feedback delivered by sales leaders helps reinforce the sales management training and the need to follow the Company Way.

- 5. Align sales targets across organizational layers.** At top sales organizations, sales targets at each level of the organization are directly tied to the sum of the individual targets of a manager's direct reports. For instance, if a sales manager is responsible for 10 sales reps, each of whom is charged with bringing in \$1 million in sales, the manager's target should be tied to the team's \$10 million objective. This continues up to the CSO, with every leader's compensation tied to the performance of those they are responsible for, so that everyone is looking at the same goals and understands how their performance ties into organizational targets.

This approach seems obvious but many companies do not follow it, leading to surprises when overall sales results, without warning, do not meet expectations and it is unclear where accountability lies. Failure to 'roll up' targets leads to other problems as well. When sales managers' targets are lower than those of their reps, it creates a disincentive for growth, reduces manager accountability and encourages retention of underperforming reps. When manager targets are higher than the aggregate rep quota, it reduces a manager's ability to motivate their reps and typically results in missed targets.

- 6. Create incentives that drive the right behaviors.** Too often, the compensation plan of sales managers does not align with the behaviors that the company would like to reinforce. For example, a manager's bonus may be determined by overall growth while their reps' compensation is tied to new logo sales. Or a manager's incentive plan will pay out in full even though the team made goal only because one or two reps had an exceptional year while the rest of the team missed targets and were poorly managed.

High-performing sales organizations align objectives between rep and manager compensation plans and set aside a portion of compensation to reward managers who either demonstrate year-over-year improvement in each of their rep's target attainment or achieve at least X% of quota across each of their rep's territories. If the model is built correctly, managers will need to drive performance across the entire team to reach their own performance goals. This approach encourages sales managers to focus coaching time on reps with the greatest potential for improvement, rather than on top performers. It also motivates managers to take timely action in the event of persistent rep underperformance.

7. Foster a culture of accountability and replace underperforming sales managers. Just as high-performing sales managers communicate clear expectations to their reps, regularly measure their performance and hold them accountable, high-performing sales leaders must do the same for their managers. This is a fundamental expectation in high-performing sales cultures: sales leaders set expectations; give managers the tools, training and coaching to meet those expectations; then hold them accountable. Sales managers who can't meet expectations are replaced.

The reality is that even with the best intentions, some sales managers will not have what it takes to drive their teams to excellence. Faced with disappointing performance, many sales leaders experiment with changes to roles, structure, territories, incentive compensation and talent rather than taking direct action. Often, they worry that firing a manager will cause a loss of customers and/or high performing reps. While this risk exists, it is often exaggerated, particularly when sales leaders are not sufficiently close to key customer decision makers and have little knowledge to objectively assess the risk. We have seen many companies where sales managers linger because they have longstanding relationships and everyone likes them – but their teams seldom make targets. That's not okay. The sales management role is far too critical to keep an underperforming manager in it. Know who is and isn't performing – and be ready to replace an underperformer with the pipeline of sales management talent you've been cultivating.

Sales organizations that embrace these seven dimensions of sales management excellence produce sustainable, long-term growth. Is your organization there? If not, what's stopping your organization from institutionalizing a robust front-line sales management capability? The answers to these questions are your key to driving superior top-line performance.

About Blue Ridge Partners

Blue Ridge Partners is recognized as the most experienced, impactful and respected firm that is exclusively focused on helping companies accelerate profitable revenue growth. We have worked with hundreds of companies on business model transitions, where we are known for rolling up our sleeves, being focused and pragmatic in our analyses and delivering tangible results that focus on the "how" of execution. In our work with over 500 clients worldwide, we have amassed extensive knowledge of the issues that affect revenue performance. For more information visit www.blueridgepartners.com.