



Anatomy of the Modern Sales Manager

A blueprint for identifying, hiring, and developing top Sales Managers



INTRODUCTION

Changes in technology, business culture, and customer expectations are changing the ways that companies build and maintain sales organizations. The same forces that are transforming sales organizations are also changing sales management – how it is defined, measured, and how the larger corporation views the sales management function. In this paper, we turn our attention to best practices for identifying, hiring, and developing top sales managers.

Defining Sales Management

THE MANY HATS OF SALES MANAGER

Among corporate jobs, that of sales manager arguably is the most complex, simply because they are required to wear so many “hats.” In most companies, sales managers must play many or all of the following roles:

Coach:

Help sales personnel develop both basic selling skills and the business acumen required to understand larger business issues.

Communicator:

Communicate the needs of the sales team to the rest of the organization and ensure that the best opportunities get priority.

Closer:

Provide tactical help in customer-facing situations to ensure that key prospects become customers.

Strategist:

Use experience and perspective to help guide the sales process and to warn of potential problems in the customer account.

Educator:

Ensure that the entire company learns from both wins and losses how to better serve prospects and customers.

Technologist:

Select CRM applications and direct the customization of the system to fit both the needs of the sales team and the rest of the company.

Politician:

Effectively marshal the company’s internal resources, both inside and outside the sales team.

Recruiter:

Attract personnel who have the raw talent to sell while building a “stable” of potential candidates.

Forecaster:

Provide top management with viable estimates of future revenue while taking responsibility for fulfilling those forecasts.

Given that the job is so complex, it’s no surprise that many myths and mistakes get in the way of sales manager success.

11 COMMON MYTHS OF SALES MANAGEMENT

The average tenure of a VP of Sales is only 18 months – significantly shorter than the average tenure of other VP-level and C-level executives. The root of the problem lies in the following popular misconceptions, or myths, about sales management and the process of hiring them:

1. Myth: General management skills are sufficient.

Fact: Management positions are different enough that no one individual can fill all of them successfully. Running a business, for example, requires a variety of specialized skills that are quite different from those of running a sales organization.

2. Myth: Sales management failures result from the “Peter Principle.”

Fact: Eighty to ninety percent of management failure is due to a mismatch between the person and the position, rather than a manager upwardly climbing to his or her level of incompetence.

3. Myth: Great sales managers are born that way.

Fact: Some management skills, like intelligence, conceptual ability, leadership, and charisma are probably based on genetics. Others, such as effective communicating and business acumen can be acquired with practice and experience.

4. Myth: Anyone can be a great sales manager.

Fact: Basic management skills can be refined and improved by twenty to fifty percent, but no more. Thus, a poor decision-maker can become average, but is unlikely to ever be exceptional.

5. Myth: Job interviews can identify sales management potential.

Fact: The typical job interview increases the chances of choosing the best candidate by less than two percent. In other words, flipping a coin would be only two percent less reliable than basing your decision on an interview.

6. Myth: Similar-seeming individuals will succeed at similar jobs.

Fact: Duplicating success may seem like a good idea, but this is only possible through a comparison of large enough samples of top performers and weak performers to find the factors that consistently distinguish winners from “also rans.”

7. Myth: Sales managers should be “jacks of all trades.”

Fact: While companies continue to demand that sales managers be able to play many roles, research reveals that the most critical factor for predicting success in any job is usually as important, or more important, than all other factors combined.

8. Myth: Personality is more important than job skills.

Fact: Many consultants and testing firms maintain that certain personality factors help ensure management success. However, solid statistical research from many objective sources shows little correlation between any personality factor and any specific job.

9. Myth: Sales management failures don't have a pattern.

Fact: Research consistently shows that people fail in a job due to factors different from the criteria used to select them. Companies that identify these "failure points" and build them into the selection process can reduce hiring mistakes by as much as twenty five percent.

10. Myth: All sales management is similar.

Fact: Salespeople and sales leaders both have management responsibilities, however the types of management are quite different. Salespeople manage territories, accounts, and opportunities. Sales leaders manage people.

11. Myth: All sales organizations are measured similarly.

Fact: According to research conducted by Jason Jordan, there are several hundred different metrics that various sales organizations use to measure themselves.

These myths are so ingrained that they constrain the ability of top management to make appropriate decisions about sales management, as well as the ability of sales managers to redefine their own, rapidly changing profession.

DIFFERENT TYPES OF MANAGERS

To counteract these myths and come up with a more useful definition of sales management, it's first necessary to apply some intellectual rigor to the subject of management in general. Chally's research shows there are four generic types of manager in the modern corporation:

Line Manager: These managers (primarily C-level and VP-level executives) accept accountability for bottom-line results and have the final authority to make decisions. They seek to minimize and control risk through focusing on improving competitive advantage, while looking for major improvement through constant refinement.

Staff Manager: These managers (typically a department head) take a "project" approach to building new value. They maintain a high level of competence in an important business function and manage a staff that provides expertise or specialized information that increases the function's value and influence in the organization.

Profit Center Manager: These managers have full responsibility for a smaller, discrete, or autonomous business unit. With total authority for bottom-line results, they operate much like entrepreneurs and their management style tends to be "hands-on." Their goals, and often their compensation, are based on shorter-term growth or profitability.

Sales Manager: The overarching goal of the sales manager is to provide revenue and profit from a sales team. These managers focus on building, refining, and staffing a selling function. They spend little to no time directly managing customer accounts. While they are in frequent contact with customers, their focus is on keeping in close touch with the market, and on training and developing the skills and productivity of salespeople.

How to Hire a Sales Manager

7 COMPETENCIES OF SALES MANAGEMENT

The primary responsibility of a sales manager is to build the quality and productivity of salespeople rather than deal either with specific customers or internal corporate issues. Because of this, sales management is not a job that requires general management expertise, nor is it simply an advanced sales role. Therefore, the screening and interviewing process must identify individuals who can achieve desired results from sales teams through deal strategizing, coaching, and leadership, rather than through individual contribution. By leveraging four decades of research, Chally has identified seven competencies that predict the success of a sales manager.

1. Engages Others in Learning and Assesses Understanding

Sales managers must be able to train salespeople on products, applications, and (more importantly) on the basic sales techniques required to sell products and services more effectively. This activity is different from traditional classroom training in that the course itself is not nearly as important as the results produced or changes accomplished. The emphasis is entirely on activities and knowledge that helps improve sales skills and efficiency. Such training tends to be hands-on role-playing rather than dominated by course materials or PowerPoint presentations.

The Risks of Promoting Sales Stars into Sales Managers

The basic skill set required for selling and the basic skill set for managing/coaching are fundamentally different. Top salespeople focus on building relationships, closing business, and so forth, while top managers focus on developing the potential of each employee.

While some individuals can do both types of labor equally well, such paragons are relatively rare. Because of this, Sales Executives make a huge mistake when they set up a position in Sales Management as a “reward” for good sales performance. When such a “reward” takes place, the sales team (and the company) loses a top sales performer and gains a mediocre (at best) sales manager.

Wise sales executives keep top salespeople in sales positions, but also identify and build an alternate career path that will increase the earnings of those sales stars while raising their recognition level. When sales managers are needed, effective sales executives locate candidates (internally and externally) who have demonstrated management and coaching talent.

2. Coaches Others and Provides Timely Feedback

Studies consistently show that the greatest tool sales managers have is coaching. Like any good manager, effective sales managers conduct performance coaching and career coaching – but they also devote significant time and attention to two types of coaching that are unique to sales: opportunity coaching and call coaching. Sales managers must work within the context of a sales process that directs salespeople to the best opportunities and guides them to practice the behaviors that will best pursue those opportunities. Effective sales managers spend time in the field and on the phone conducting joint calls. The best sales managers acknowledge that the primary goal of joint calls is not to do the salesperson's work but instead to better understand what the salesperson needs to be more successful, both in the opportunity at hand and in other opportunities in the future.

3. Directs and Manages in a Team Setting

Sales managers must be able to delegate tasks to subordinates and be satisfied with a relatively narrow span of control. They create timelines and expected results, and then monitor those expected results over time in order to prevent the need for the manager to regress into being an individual contributor. The best sales managers figure out their subordinate's strengths and weaknesses and make assignments accordingly.

4. Leads with a Profitable and Efficient Approach

Strong sales managers are deeply conscious of bottom-line results. Rather

than evaluating themselves and others on effort (i.e., tasks completed) or process (i.e., tasks in series), they stay focused on revenue; quota attainment, and win rates of forecasted deals. They don't get distracted or waste time on trivial problems, unnecessary paperwork, or personality issues that don't affect those results. They take personal charge of major issues and, when they delegate, maintain a tight follow-up routine.

5. Champions Initiatives and Leads Change

Sales managers need to champion their team's success, maintain close touch with key issues, and remain alert to potential problems and/or opportunities. They need to make suggestions and initiate plans without being dependent on upper management for direction. They work to stay informed, demand relevant information, and set up feedback processes, formally or informally, to keep themselves up to date.

6. Prepares and Delivers Effective Presentations

Strong sales managers can communicate through planned, persuasive presentations that are customized to fit individual audiences. They can remain attentive to the audience's interest level and prioritize the key points that need to be made, while adapting the presentation to both verbal and nonverbal responses from the audience.

7. Focuses on Measurable Outputs

Strong sales managers seek efficient short-term results and are not easily distracted from the task at hand. They need to see a task through to completion and are willing to expend the effort and repetitive activities until that result is achieved.

SUMMARY

Given the importance of the sales manager role to revenue, hiring cannot be left up to chance. Sales executives need to set up a system that results in the hiring and promotion of individuals who can function effectively in the role of sales manager. This requires defining criteria and using those criteria to screen aggressively for known characteristics of high performance in that role.

In addition, sales executives should ensure that new managers receive training in the skills to manage sales talent and that all frontline sales managers are continuously upgrading their coaching skills.

For more information on how to enable and equip your sales managers to be successful check out our blog: "[Enabling & Equipping Frontline Sales Managers](#)."

About Chally

Chally provides industry-leading research, predictive talent analytics, and advisory services to businesses globally. We work with our customers to ensure they have the data needed to grow sales and make informed, evidence-based sales talent management decisions.

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The logo for Chally, featuring the word "Chally" in a dark blue, sans-serif font. The letter "C" is stylized with a dashed, teal-colored arc above it.