

Evaluation of Sales Performance

Meaning

Sales evaluation involves an analysis of the performance of your sales personnel. Through sales evaluation, your sales team members learn about their strengths and weaknesses, so they know which areas to improve. If you conduct proper sales evaluations regularly, you may improve the efficiency of your sales efforts and drive up your profits.

Methods of Sales Evaluation

Several Methods were used to evaluate the capacity, talent and overall performance of salespersons in a company. The most common methods used to evaluate the performance are -

1. Evaluating Performance of Salesperson by Sales Target

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- a) Sales Target
- b) Sales Territory and
- c) Sales Report

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Methods of evaluating performance of Salesperson

- a) The target for sales must not be impossible to attain.
- b) It must be reasonable.
- c) It must be set taking into account the past records, market potentials, etc.
- d) Sales target must not be rigid.
- e) The incentives to be given to the salesmen shall be linked to the targets.

Advantages of fixing Sales Targets

Setting targets for the salesperson will offer the following advantages:

- Fixing sales target enables the salesman to work according to a plan.
- It provides a basis for the evaluation of the salesman's performance.
- It is possible to coordinate production and sales.
- It does not allow any salesman to be insincere or careless.
- It enables efficient salesperson to earn more by way of incentives by attaining the target each time.

Problems in setting Sales Targets

- It is difficult to evolve a basis upon which the target may be set.
- Certain unpredictable changes in the market conditions may render the targets unrealistic.
- The same target cannot be set for all salesmen as the potentials of each person and each market differ.
- Some salesmen are capable of doing much more than the target set for them. Thus, sales targets limit the initiative.

- The target cannot be rigid. What was possible last year may not be possible this year. Therefore, the target needs to be revised periodically.

3. Evaluating Performance of Salesperson by Sales Territory

A sales territory is a small segment of the entire market for a product or service. Each salesman is usually made in charge of a particular area or territory. For the trend in sales in each such area, the salesman concerned becomes accountable.

Thus, sales territory enables the business to not only evaluate the performance of the salesman but also to know the sales trend.

Advantages of Establishing Sales Territory

The advantages of establishing sales territory may be mentioned as follows:

- It enables the business to cover the entire market more effectively.
- It makes it possible for the salesman concerned to maintain good rapport with the clients in his area.
- It is possible to compare the progress in sales in each territory.
- It also gives scope to compare the performance of salesmen working for different territories.
- It avoids duplication of work by salesmen in the same area.
- It ensures proper allocation of funds for different territories.
- It also helps to have knowledge of the extent of competition in each area. A particular area, having intense competition, may require more funds for sales promotion.

How to Improve Your Sales Performance Evaluation

1. Establish Trust with Prospects and Customers

The key to accessing the peak of sales performance is to understand the customer and prospect mindset, and adjust your practices to cater to the modern buyers audience. The customer base you are selling to is more educated than it's ever been, so brute force techniques are best left in the past where they belong. Intuitive, intelligent selling helps reps leverage the complexity of the modern work environment to provide valuable thought leadership—and ultimately close more deals.

Customer communication has changed in recent years, but whatever the method, it is undeniable that gaining customer trust is key for reps. In order to gain this trust, a rep must make building rapport a priority by first connecting with the customer by empathizing with their needs.

2. Ditch the Pitch and Have Real Conversations

It turns out that simply using the word, “pitch,” can be intimidating or leave a sour taste in the mouth of sales reps, customers, and potential clients—ultimately impacting your sales performance.

According to Wendy Weiss, known as The Queen of Cold Calling, “salespeople sometimes think it means they should talk at someone, but that’s not an effective way to communicate. A good pitch is one where you ask questions, listen to the prospect, and offer them a solution to a problem.” Rather, to improve your sales performance, your reps should foster interaction and an active conversation.

3. Center Every Interaction Around Experience

Every time a rep speaks with someone, they should be focused on ensuring the conversation provides the strongest customer or prospect experience possible. This means taking a stroll in that person's shoes and understanding the pain points they're living in their day-to-day life.

To improve your sales performance, reps should go into conversations with the mindset that their goal is to alleviate challenges and make the job easier for the person on the other end of the line.

4. Listen First, Then Speak

The 80/20 rule can be a good gauge for this. 80% of content or information shared within a sales conversation should be catered to addressing prospect or customer pain points with tips, tricks, and how they can make a change *today*.

The other 20% should specifically about your company and the benefits you offer. Take that principle one step further and break it down to a listen/speak ratio for your sales pitch. Your reps should only be talking 20% of the time, while the other 80% should be devoted to the understanding who a rep is talking to—asking questions, answering your inquiries and telling you about themselves.

5. Let Your Data do the Talking

When it does come time to talk, it's always an easier conversation when you have valuable insights, data points, or other resources that can back you up. Providing them with solid market infographics, actionable information, and comparative analytics gives them the strong impression that you understand their business and have their best interests at heart. This, in turn, helps to establish additional trust between the sales rep and prospect/customer.

6. Turn to Loyal Customers and Enhance Relationships

Your customers chose your organization for a reason—and as any successful company knows, keeping customers happy is number one. Therefore, building and maintaining these relationships is essential to improving your sales performance. Remember: happy customers are more likely to become fans and share their positive experience with

New blood is important for keeping your prospect pool fresh and vibrant, but your first friends can be an invaluable source of return business and glowing recommendations. If you take care of your customers, they can make your job a lot easier by providing testimonials, case studies, and even jumping on reference calls.

7. Stay Connected with the Industry

By establishing relationships not only with the customers but also with influential industry thought leaders is valuable as well. One of the biggest SaaS ecosystems is the Salesforce.com community, so keeping current with this ecosystem is imperative.

Social media is another important arena to master—especially on platforms like LinkedIn and Twitter, where reps can become advocates of their work while connecting with customers and partners. In the end, it never hurts to meet people the old fashion way first, namely, in person. Then, you stay connected to them through their preferred social media platform.

8. Personalize Incentives to Drive Sales Performance

Focus on incentives that lead to sales, such as lead conversion, prospecting, face-to-face conversations, and advancing stages. Of course, don't throw all of these goals at the sales reps at once—meter them out in threes, to ensure maximum completion rates across all your reps. This should not be based on an educated guess, but rather on benchmarking data that you can leverage to get ahead.

9. Optimize Planning to Improve Your Sales Performance

Your sales plan is the blueprint for your organization to hit goals, and your historical data can play a huge role in optimizing your planning processes for success. Data-driven sales leadership is a newer concept—but it is a crucial step that companies need to adopt if they want to stay ahead of the competition. When you use data to back decisions and continuously analyze your sales plans, you can course correct sooner to avoid missing the mark completely.

10. Keep Company Values at the Center of Your Organization

Believe it or not, company culture can play a large role in the success of your sales organization. How exactly? It's simple—the values you instill in your employees and throughout your company will reflect and come across in every sales conversation. Ultimately, you need to show that you value every prospect and customer interaction and that your end goal is the same—finding the right solution for them.