

## Title:

Why Consider 'Sales Prospecting' as a Sales Management Training Course

## Word Count:

1009

## Summary:

Consider a 'Prospecting Certification Course' for your Sales Managers... "What's in it for you?"

As a Sales manager, are you a 'Supervisor' or an 'Organizer'?

When it comes to achieving revenue results for new and existing sales reps, this article will help you decide which side of the fence you should be on... because there is no middle ground.

## Keywords:

sales leadership,sales training,sales performance,sales management training,corporate sales training

## Article Body:

The last thing a sales manager wants to do is to go through a certification course in 'Sales Prospecting'. They've been there and they've done that, or they'd not have been promoted to a sales manager level. After all, that's up to the sales rep. That's why they are hired on. In fact, I recently asked a Vice President of Sales in a competitive industry if he'd be open to looking at a 'Sales Prospecting System' for his sales managers his remark was "That's what we hire sales reps for. If they don't do it, we fire them and find some that will."

Well, by definition, I guess that's fair. Because if you take a look at any outside sales representative job description, you'll see experience criteria listed such as: "Excellent cold calling and lead generation experience," or "Must be able to identify Target Prospects and maintain an appropriate activity funnel," or "Must meet or exceed activity standards."

So why should a sales organization consider establishing a prospecting certification course for their Sales Managers? In order to consider this argument, let's first take a look at standard criteria within a sales manager job description:

"Responsible for managing Sales activity for new and existing Account Executives"

Now let's break this job criterion into individual elements and look at it as a professional Investor would look at a 'Business Case'. Here are some synonyms for the word 'Responsible':

- Accountable
- In charge
- To blame
- Liable
- Guilty
- Answerable
- Dependable
- Conscientious

I don't know about you, but if I understand the King's language here, I am beginning to feel I have some 'Skin in the game' as a sales manager already. Let's investigate a little further by pulling out the phrase 'managing sales activity'.

There are (2) different ways to manage. You can choose to 'Supervise' or you can elect to 'Organize'. If 100% of your sales team is 100% effective at professional prospecting; meeting or exceeding the necessary activity standard, 'supervising' will do the trick.  
You're dismissed.

But to the extent that they are not is the extent you will need to 'organize', put in order a best practice prospecting system to support new sales appointment activity. (Or start over like the sales executive fore-mentioned.)

Now let's peel back the phrase 'new and existing account reps'.

In a sales manager dictionary, 'new' means 'New-hires' and 'New-hires' reflects 'Ramp-to-quota'. Simply put, the quicker a new-hire ramps to Quota the better for both parties; the new-hire and the sales manager. Both get more credit, earn more recognition and receive more commission. And what is the most important facilitator in getting a new-hire sales rep to Quota in the least amount of time?

It's making sure they secure the necessary amount of new appointments. It's the fuel in the tank. The quicker they do that, the quicker they will ramp to quota with the proper mentor support of course.

And that brings us back to the leadership choice between choosing to 'Supervise' versus electing to 'Organize'.

Here's a (1) rep 'Hard-number' example.

Average New Hires per Year: 1  
Monthly Sales Quota: \$7,500  
Average Term Agreement: 24 months  
Current Average Ramp-to-Quota: 5 months  
Improve Average Ramp-to-Quota: 4 months  
Average 'Sub-Quota' Revenue per Month during Ramp: \$2,800  
Annual ROI: \$112,800

In this example, reducing the time it takes for (1) new-hire sales rep to achieve Quota by only 1 month returns back to the sales manager \$112,800 in additional sales revenue.

The other and sometimes forgotten performance silo within the term 'New-hire' is sales employee turnover. Most sales employee turnover occurs with the first 8 months of bring a new sales employee onboard. My studies also tell me that 90% or more of that turnover is directly related to low sales activity; not setting enough new appointments to meet the quota ramp criteria.

Using the same model as above, let's look at what's in it for the Sales manager to promote a Prospecting system to reduce new-hire employee turnover.

Number of Sales Reps: 10  
12 Month Turnover Rate: 40%  
Average Salary: \$25,000  
Recruiting Costs/Rep: \$1,000  
Training Costs/Rep: \$1,800  
Monthly Sales Quota: \$7,500  
Improve Turnover Rate To: 30%  
Revenue Ramp-up Costs: \$60,000  
Total Annual Cost: \$178,533  
Revenue Production Loss: \$63,000  
Saved Reps: 1  
Annual Savings: \$44,633

Reducing annual turnover for just (1) new-hire sales rep returns back to the sales manager \$44,633 in additional sales revenue and recovered costs. Multiply that out by your own sales employee turnover number.

Now back to our sales manager job description criteria of "Responsible for managing sales activity for new and existing Account Executives." Let's investigate the term 'existing account managers' and what managing sales activities by 'supervising' or 'organizing' means to our career.

First of all, what percentage of your existing sales team is reaching or exceeding quota each month. Of the percentage that is not, what percentage of them are not achieving quota due to sub-par sales activity? When you uncover that sales performance number and understand the ramifications to revenue result, you will move another notch closer to your ultimate answer of 'supervise' or 'organize'.

Secondarily, what percentage of your sales reps time is spent on securing new business appointments? JDH Group clients spend on average 50% of their weekly 'hourly rate' on prospecting. For a sales rep working 45 hours per week, that's over 22 hours dedicated to front end activity. If you decided to 'organize' a prospecting system, become certified in it and help others with it, would that drive that number down? Will that allow your sales team more time to pursue higher-value, solutions-based selling opportunities?

One definition of 'Best practice' is the sum of everything everybody in your sales organization knows that gives you a competitive edge in the market place. Putting in place a 'Prospecting system' with best practice components and elements, becoming independently certified to it as a manager/leader and mentoring it throughout your sales team will ensure that nobody is left behind.

And enabling your sales team to share knowledge and insight stimulates 'Targeted' sales activity that will drive new business and help you reach your desired results more often.