SUPERVISING, MANAGING, AND LEADING SALESPERSONS INDIVIDUALLY AND IN TEAMS

LEARNING OBJECTIVES

After completing this chapter, you should be able to:

- Explain and describe the difference between sales supervision, management, and leadership.
- Identify the skills and abilities a person needs to become a good sales manager.
- Understand the elements of teamwork and how to successfully develop and work with teams, including those that are virtual.
- Recognize the ethical challenges facing leaders and teams in the sales environment.

What does it take to manage and lead salespeople individually or as a team? Do you use the same skills for a new hire that you use with an established sales veteran? It’s not the same answer for every person or every occasion. A new hire might require close supervision, whereas when developing a sales proposal that involves gathering and analyzing large amounts of information from several sources, the supervision of employees might best be handled through delegation and teamwork. In other situations, the sales manager needs to take the lead and lay out the vision or plan for their sales force to follow. While there may be differences of opinion as to whether a sales manager supervises, manages, or leads his or her sales force, there is agreement that all these behaviors are needed in developing a successful sales organization.
What surprised Katherine Twells the most about her transition from a salesperson for Coca-Cola to a leadership position might not be typical of most new sales managers. It wasn’t the new title, compensation, or changes in her office space. She was surprised by how much she enjoyed working with people. “I absolutely love working with people in a teaching role and helping them develop professionally,” says Twells.

Twells started out working at a bank as a management trainee and after a couple months found she was “under-challenged.” With some coaxing from a college professor, she decided to accept a sales position with Coca-Cola. She initially began working a territory with 1,500 restaurants, moved into larger territories and regional accounts, and then became a sales manager. Today, she is responsible for Coca-Cola’s food service division in the state of California. She manages an organization of 60 professionals, including seven area directors and a distribution manager. “I now lead leaders,” she says. In her positions, Twells has been instrumental in terms of leading cross-functional teams and in developing national leadership training programs for Coca-Cola’s sales associates.

This might seem like a bit of a stretch for a person who was initially a little hesitant to go into sales. With each promotion at Coca-Cola, Twells has taken on more responsibility and accountability. Ten years ago when the opportunity in sales management came along, she again needed a little coaxing to take it. She recalls asking herself, “Why do I want to manage others? I like selling!” In retrospect, this is a decision she is glad she made.

As a new manager, she found out that she had to get comfortable getting things done through others—and not doing it herself. She had to remember that everyone has a different way of doing things and that you have to learn that just because it may not be the way you would approach the situation, you can’t interfere. Twells knows the importance of being a coach and developing sales representatives who can act independently and as a team. Coaching is something you do every day. Good managers are constantly coaching and giving feedback to the people who report to them directly or indirectly. You have to focus on their behaviors, and you need to be concerned about their goals. “As a sales manager, an important part of my job is to serve those I work with,” she says.
Twells describes her leadership style as authentic, collaborative, and empowering. Good leaders really need to know and understand the people they work with as individuals. You need to learn their strengths and capitalize on them—as they work independently and in team situations. And finally, you need to trust them. There is no snap way to doing things, she says. “Leadership is an art that you work on daily.”

One of the most difficult responsibilities that a new manager deals with is the performance issues of her salespeople. “You think ‘I can fix this person’—but most of the time you can’t. There comes a point where you risk ‘over helping’ someone. Sometimes people are just in the wrong job.” Another area that can be a bit uncomfortable for most managers is dealing with and addressing conflict. “No one I know ever looks forward to doing that.”

Twells explains that even though salespeople primarily work alone, getting them to share information and work well as a team is important. “People who operate as if they are on an island aren’t successful. It is critical to be able to be a team player—you must be in touch with others.” She also recommends working with and being a mentor. She has benefited from informal mentors both inside and outside of Coca-Cola. “Mentors have helped to give me perspective—I’ve found them to be beneficial in providing insight about how to keep my balance in situations that may lie ahead. They sometimes have the ability to look around the corner and let you know what’s coming.”

In Chapter 3 we discussed leadership theories and different approaches to conceptualizing leadership. At this point we will extend that knowledge base and explore new skill sets as you examine the activities of supervision, managing, and leading to see how they fit into a sales manager’s position. Additionally, we’ll examine elements of how sales managers incorporate coaching in their daily activities. Finally, as part of this discussion, we will also examine mentoring and what elements help make teamwork effective—both in person and in virtual settings.

Supervising

Supervision is generally used today to refer to time spent working with employees to be certain they are aware of the responsibilities of their job and how to perform them correctly. Because of the independent nature of the sales job, most of the supervisory activities sales managers engage in occur when they’re working with new hires. This seemingly simple and potentially time-consuming task should not be taken lightly, as it is a critical element of a sales manager’s responsibilities. Supervision was an important element in a manager’s position when “management” was first studied, and it continues to be in the twenty-first century.

Today, the term supervisor is seldom heard, yet the act of supervising is no less important than it was a century ago. Sales managers—and sometimes sales trainers—spend time supervising people performing new tasks. They observe and then offer suggestions for improving their performance if needed. Their presence can help ensure that if the salesperson needs assistance, he or she gets it. Whatever you want to call it, supervising involves lots of “hands-on” time. Mark Baranczyk, the midwest regional sales manager for the Jacob Leinenkugel Brewing Company, spends about three days each week in the field with his sales representatives providing personalized supervision. During this time, he reviews the objectives of the call and helps out reps if he’s needed. If a call goes well,
he’ll hold back on participating during the visit and offer a review of the representative’s performance during a “curbside coaching and counseling” session. Sometimes Baranczyk will know the representative is having difficulties achieving an objective with a client. During calls such as these, he takes a more active role helping to answer questions, providing insight, and overcoming the client’s objections. At times like these, Baranczyk needs to use coaching skills to help the salesperson identify and correct any shortcomings they have identified. We present more information about coaching later in this chapter.

Sometimes managers don’t supervise new hires; more experienced sales personnel do. Some companies refer to people such as this as a first-level manager.

Another source of supervisory assistance sales managers use is technology. If a company is using a CRM system, a supervisor can track an employee’s daily activities. This information can provide a sales manager with insight about how an employee is progressing with his or her customers, whether or not the person is achieving his or her objectives during calls, and using his or her time wisely.

Managing

More experienced sales personnel usually don’t require supervision. They do, however, require that someone, like their sales manager, manage their work responsibilities and those of other sales force members in order to achieve the goals of their organizational unit. In this section we look at activities involved with managing a sales force from two different perspectives: from the sales manager’s perspective and the sales representative’s perspective.

Managing the sales force requires the sales manager to be skilled in several areas including: setting objectives, organizing the tasks necessary to achieve them, motivating the sales force, and problem solving. Although the goals of the organization are set by executive officers, most managers are charged with setting the objectives of their unit to meet the goals of the organization and developing a budget to support them. Wayne Nash is the national account sales manager for LDPI, Inc., a company that manufactures commercial lighting fixtures for hazardous, wet and clean room applications. The company’s sales goals are set by LDPI’s vice president of sales and marketing. Nash works with a regional sales manager, three sales engineers, and a large number of independent sales representatives and distributors located across the United States and North America. He is responsible for planning how the sales force will work to achieve the company’s sales goals. He sets sales objectives for each sales unit and individual sales rep. He then allocates his budget in a manner that will support accomplishing the objectives he has laid out. If his company wants to increase its sales by 5 percent, Nash might, for example, look at marketing research showing potential market segments underserved by the company. To help educate potential buyers about LDPI’s products, he could set aside resources to purchase advertisements in industry magazines, mail materials to a select group of customers, send personnel to participate in appropriate trade shows, and offer a financial incentive for sales made to new customers in this new market segment.

The next set of management responsibilities focuses on organizing the sales force. The sales manager must make decisions about how to organize the work and who is going to handle each task. This may range from broader-level decisions, such as deciding how to organize the sales force (for example, by industry, geography, or product line) to more narrow-level decisions, such as
assigning specific salespeople to specific clients. It might also require making decisions about how to divide responsibilities for a team-based selling effort—for example, deciding who should handle outbound calls to qualify prospects, who should meet and present products to clients, and who should follow up to offer them sales support.

Sales managers also typically play an important role when it comes to staffing. Oftentimes they work very closely with their human resources department to recruit and select new sales force members. At other times, they leave most of the recruiting and screening activities to their human resource department, which then refers the top candidates to the sales managers for consideration and final hire or no-hire decisions.

Certainly making sure sales representatives have an incentive to do their jobs well is also an important task for the sales manager to perform (see Chapter 12); so is training and developing sales representatives (see Chapter 9) as well as coaching them.

The last set of management responsibilities involves measuring and analyzing the performance of the sales force and, when needed, taking corrective action in order to meet the initial objectives. (This aspect is discussed in more detail in Chapter 11.) In essence, this is problem solving. If LDPI was trying to capture wastewater treatment plants as potential new customers, for example, Nash would need to measure the extent of sales activities aimed at this group by determining how many inquiries resulted from the ads he placed, how many and what quality of prospects were identified at trade shows, and where potential customers were in the buying process. After analyzing the data, he might determine that although LDPI has improved its visibility among these buyers, the company’s representatives still need to spend a greater amount of time familiarizing the buyers with the company. In order to help his representatives accomplish this task, he might encourage LDPI’s marketing department to engage in new promotional activities, such as placing additional advertisements in other industry publications, or, for example, using a small, outbound call center to make follow-up calls to trade show attendees.

If Nash further learned that the sales force was requesting more information on the needs of the wastewater treatment industry and the regulations it’s subject to, he again would have to respond. Suppose, for example, that after hearing reports such as this from the field, he learns that different chemicals are used in different climates (Florida versus Minnesota) and that different states have more stringent regulations than others. As a result of these differences, he might decide that further training of the sales representatives is needed immediately. It might be that, after overcoming these obstacles, he then learns that there are certain times of the year when municipalities are more likely to make a purchase. At this point he might decide to offer reps a 60-day bonus plan during these times of the year to motivate them to concentrate their efforts on these potential buyers. With each piece of information he gains, he manages his personnel and budget to accomplish the goals of his sales force.

Sources of Power

To accomplish their goals, sales managers need power, which can stem from different sources. While studying the workings of teams, two French psychologists, French and Raven, developed a classification of power bases that team leaders used to reward or punish their team members. The amount of power a leader had with their team varied depending on the composition of the team and the skill set of the individual manager or leader. Some of the sources of power may be the result of a formal structure, or they may also be acquired through informal structures. Exhibit 10.1 displays the bases of power.

Formal power is given on the basis of the position a person holds in an organization. It is the authority an individual is given to accomplish his or her job. The formal bases of
power are legitimate power, reward power, coercive power, and informational power. **Legitimate power** is the power given to a particular position. For sales managers, this typically would include the power to make decisions regarding issues of employment, budgeting, and any other decisions they need to make to accomplish the tasks under their responsibility. A national sales manager has more legitimate power than a regional sales manager, who will have more power than a district sales manager.

**Reward power** is the ability to distribute rewards. The rewards might include providing reps with more desirable territories (perhaps involving less travel), different compensation levels, gifts, benefits, promotions, job titles, and accoutrements related to their work environment, such as, company cars and nicer offices. Praise and recognition are also considered rewards, even more so when material rewards are not readily available. The opposite of reward power is **coercive power**. This stems from the ability of the sales manager to withhold rewards. It could also include making negative verbal comments to or about a salesperson. When coercive power is used, it typically builds resentment and resistance on the part of the recipient(s). As you might expect, it is the least effective form of power.

**Informational power** is power a leader derives from the ability to access and control information that other people don’t have. If only the sales manager has a great deal of information about the sales process or sales organization, the person’s representatives will be dependent upon the manager and will have to contact the individual for assistance at multiple points during a sales cycle. Thus, the manager will have power over the representatives. More effective organizations encourage the sharing of information throughout the sales organization. Customer relationship management systems are designed for this very purpose, in fact. The more information sales representatives have, the more empowered they are to do their jobs.

Informal power is power that an individual has as a result of his or her skills, personality, or geniality. These bases are expert power, referent power, and charismatic power. People who possess informal power can actually exert more influence over other group members than a person with only formal power. **Expert power** is power based on a person’s knowledge, skills, and expertise. Sales managers who are skilled in the various aspects of selling the product, solving customer problems, and managing their accounts have expert power. **Referent power** is based on the degree to which a person is liked due to his or her personality and interpersonal skills. A sales manager who is well-liked and admired based on their personal attributes will have a high level of referent power. When an individual is strongly admired based on their personality, physical attractiveness, and other factors, that individual may have what is referred to as **charismatic power**. A person with charismatic power over their group members is often able to induce them to accomplish the most. For example, sales managers with charismatic power might have the ability to revitalize and encourage their sales forces to succeed even against seemingly insurmountable odds. However, if this power is used in a negative way, it can result in sales representatives engaging in unethical sales
ETHICS IN SALES MANAGEMENT

What Are the Traits of a Bad Leader?

Ideally, leaders work to achieve good outcomes. However, we all know of leaders who are either incapable of achieving those outcomes or work toward outcomes that benefit themselves versus their organizations or the general public. For example, in one highly publicized incident during the high-tech boom, the sales managers in a prominent brokerage firm encouraged their salespeople to sell stocks to customers that they knew weren’t likely to perform well. They did so because the commissions earned on those particular stocks were higher.

- Research has shown that there are seven traits associated with bad leaders. The traits are as follows:
  - Incompetent: The leader and at least some of his or her followers lack the will or skill to sustain effective action.
  - Rigid: The leader and at least some of his or her followers are stiff, unyielding, and unwilling to adapt to new ideas, new information, or changing times.
  - Intemperate: The leader lacks self-control and is aided and abetted by followers who do not intervene.
  - Callous: The leader is uncaring or unkind and ignores or discounts the needs of the rest of the organization.
  - Corrupt: The leader lies, cheats, or steals and puts his or her self-interest above all else.
  - Insular: The leader disregards or at least minimizes the health and welfare of those outside a small center group.
  - Evil: The leader disregards the worth of others. Some leaders, and at least some followers, commit atrocities.

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Hanson is also very knowledgeable about printing and enjoys working with his sales representatives. They look to him for guidance. In other words, he has power as an expert. He makes sure that he spends time not just working with his employees but also socializing with them—whether it is over a meal, at a ballgame, or a company function. His representatives enjoy working with him and, as a result, he also has referent power and charismatic power he can use to accomplish his managerial goals.

The Up-Close Perspective: Becoming the Boss

Using power is one area that new managers often struggle with as they transition into their new positions. Studies of new managers indicate that the assumptions they hold about what it is like to become the boss often are not accurate. Findings indicate that the skills required to be a good manager are different from those of being a star performer. Many sales managers are promoted because of their sales ability and not their management skills. Looking back on the first group of sales representatives he managed, Dave Anderson, who was a sales manager with automotive dealerships, comments, “I am so, so sorry. I didn’t know what I was doing.” Anderson’s comments are not that uncommon. Few new sales managers know what challenges lie ahead for them.

A summary of these myths or misperceptions is contained in Exhibit 10.2. The biggest misperception of many new managers is that their jobs will revolve around implementing their own ideas. In reality, they find that it is more about working together and combining everyone’s ideas. Another misperception is that power will come from their position; instead they find out that it comes more from their informal bases of power: Controlling people is not nearly as important as getting their commitment. And finally, sales managers learn that it’s not just about working with individuals to keep things going, but clearing the

### EXHIBIT 10.2

Perceptions of New Managers: Myths vs. Realities

<table>
<thead>
<tr>
<th>Myth</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Biggest misperception of the new role:</strong></td>
<td><strong>Authority:</strong> “Now I will have the freedom to implement my ideas.”</td>
</tr>
<tr>
<td><strong>Source of Power:</strong></td>
<td><strong>Based on Formal authority:</strong> “I will finally be on top of the ladder.”</td>
</tr>
<tr>
<td><strong>Desired Outcome:</strong></td>
<td><strong>Control:</strong> “I must get compliance from my subordinates.”</td>
</tr>
<tr>
<td><strong>Managerial Focus:</strong></td>
<td><strong>Managing one-on-one:</strong> “My role is to build relationships with my individual subordinates.”</td>
</tr>
<tr>
<td><strong>Key Challenge:</strong></td>
<td><strong>Keeping the operation in working order:</strong> “My job is to make sure the operation runs smoothly.”</td>
</tr>
</tbody>
</table>

path of obstacles so your team will make great achievements. Recognizing these common misperceptions can help new sales managers develop into their new roles.

As a new leader, experts recommend that it is best to make a low-key entry. This gives you time to learn the ropes, develop relationships, and benefit from the wisdom of those who have preceded you. It also gives your employees time to demonstrate what they know and you a chance to show your appreciation for the contributions of each of them. As leadership expert Warren Bennis puts it, “It shows that you are a leader, not a dictator” (pp. 49).5

Once established in their positions, sales managers must always work to improve and expand their expertise in terms of their people management skills. There are volumes of books written on this topic. The following is a summary of one manager’s suggestion of important behaviors that managers should demonstrate to the salespeople who directly report to him.6 These are behaviors that a new sales manager should find actionable and they would serve him well.

1. **Clarify the direction your business is taking.** Managers need to communicate clearly where the business is headed, why, and how employees will contribute to it. By discussing this, people have a better perspective of the issues facing the organization and how they fit in.

2. **Set goals and objectives.** Without goals and objectives, sales managers are just making assumptions about their progress. Goals and objectives should be set at both the team and individual level. Doing a good job of establishing them will make bonus and merit incentive performance decisions clearer and easier to communicate to your individual representatives.

3. **Give frequent, specific, and immediate feedback.** This shows you are interested in the development of your representatives, how you think they are performing, and, if need be, how to improve their performance. It will also make the performance evaluation discussions go more smoothly.

4. **Be decisive and timely.** After you have the information you need, your salespeople expect you to make a decision in a timely manner. This helps your reps move forward instead of wondering how they should proceed.

5. **Be accessible.** If, as a sales manager, you expect your sales representatives to keep you informed, you need to be available when they need to see you. This can be done in person, by phone, or electronically.

6. **Demonstrate honesty and candor.** When sales managers communicate with their representatives, especially during performance appraisals, they should use language that is specific and not vague. Masking the truth doesn’t help people develop.

7. **Offer an equitable compensation plan.** Good goals and clear communications will help people understand how they are being rewarded for their efforts.

**The Sales Representative’s Perspective: What It Takes to Be a Good Sales Manager**

So what does it take to be considered a good sales manager by your sales representatives? Perspectives differ depending upon what position you are viewing things from. When groups of sales representatives were asked what characteristics help make a sales manager good, they were able to identify some common themes.7,8,9,10 The following is a summary of the characteristics they identified.

1. **Is flexible.** Good sales managers need to be able to balance the demands of handling business issues one minute and then shifting gears to direct and coach people the next. They have to work through people and not do the job themselves.
2. **Is a good communicator.** This means being available to give timely and frequent feedback. When sales representatives need help, it usually means they need immediate help as opposed to feedback a couple of days later. Good managers have an open-door policy and don’t mind being interrupted. They respond to e-mails the same day and return missed phone calls the day they come in.

3. **Works for the good of the team.** Good sales managers don’t put their needs ahead of those of the team. They shift the spotlight from themselves so that it focuses on their team and team members. They take satisfaction from the accomplishments of their groups.

4. **Is considered trustworthy.** Over time, through actions and examples, a good sales manager is able to develop an atmosphere of trust. Sales representatives are comfortable sharing information with the manager because they know that the person will do what is best for them and will respect their individual wishes.

5. **Can motivate and lead the team.** Good sales managers help their teams conquer the challenges they face by keeping their teams motivated via informal actions (for example, by offering feedback to their reps on a personal basis) and formal actions (for example, by recognizing their representatives publicly).

***Leading***

Research shows that a poor sales manager can literally cost a company millions of dollars in lost sales opportunities (one research study places this number at $10 to 20 million annually). For example, two-thirds of sales vice presidents surveyed indicated that 40 percent of their sales leaders were not meeting expectations and cited a lack of leadership and coaching skills as the source of their failure. Dissatisfaction with one’s boss is, in fact, the number one sales representative complaint. Another study conducted by the Forum Corporation found that a firm’s sales managers “figured prominently” in the success of their sales force—that a sales force whose manager thinks strategically, provides coaching and feedback to his salespeople, and creates a motivating environment perform much better than others. The respondents noted, however, that sales managers were often promoted because they were high-performing sales representatives—not because of their managerial abilities.

The qualifications required by sales managers are changing though. Firms are demanding a higher level of leadership and management skills than in the past. “We have changed the first-line sales manager’s role to become more of a training and coaching/development role versus a super salesman,” one survey respondent said. Given the extent to which a firm’s success is determined by its sales managers, the remainder of this section examines a promising new leadership approach and some skill sets that new sales managers should develop.

***A New School of Managerial Thought?***

In the last part of the twentieth century, leadership studies identified a classic, two-factor approach that focused on the tasks and relationship behaviors of leaders. These approaches are labeled transactional leadership because they focus on an exchange, of some nature, between leaders and their followers—for example, leaders giving promotions and/or bonuses to sales representatives who meet their sales goals.

More recently there has been a movement toward a transformational leadership approach to leadership. “It is concerned with emotions, values, ethics, standards, and long-term goals and includes assessing followers’ motives, satisfying their needs, and
treated them as human beings” (p. 176). Transformational leaders focus on the needs and motives of their employees and try to help them reach their fullest potential. These leaders also exhibit emotional intelligence. Emotional intelligence includes one’s ability to understand and manage the emotions of other people in light of their own. The underlying premise is that people who are more sensitive to their emotions and understand the impact of their emotions on others will be more effective leaders” (p. 23). Emotional intelligence includes self-awareness, self-regulation, motivation, empathy, and social skills. Exhibit 10.3 describes these abilities. Leaders with high levels of emotional intelligence create environments that foster trust, reasonable amounts of risk taking, and higher levels of productivity. Low levels of emotional intelligence in a work environment foster fear and anxiety. Generally, as people mature, their emotional intelligence increases.

A leader’s “emotional style” impacts the culture of the person’s organization or work environment. Those leaders with high levels of emotional intelligence create environments that foster trust, team building, and healthy risk taking and higher levels of productivity. Low levels of emotional intelligence in a work environment foster fear and anxiety.

Note that Katherine Twells, who was profiled at the beginning of the chapter, finds her greatest rewards in being a developer of her employees’ talent. In her description of her leadership style, you can see that it reflects several of the components of emotional intelligence, including self-awareness, motivation, empathy, and social skills:

I think it is important to understand yourself and what you want from your job first. Use that as a foundation and the rest comes more easily. You have to bring in the right people, understand how to use them, create synergies, and be sincere about it. I believe that people are the best asset of an organization—but you need to understand how to motivate them to get the best results. . . . As a sales manager, an important part of my job is to serve those I work with.

**EXHIBIT 10.3**

The Hallmarks of Emotional Intelligence


<table>
<thead>
<tr>
<th>Skills or Abilities</th>
<th>Hallmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-Management Skills</strong></td>
<td></td>
</tr>
<tr>
<td>Self-Awareness: The ability to recognize and understand your moods, emotions, and what drives you, as well as how they affect others</td>
<td>Self-confidence, Realistic self-assessment, A self-deprecating sense of humor</td>
</tr>
<tr>
<td>Self-Regulation: The ability to control or redirect disruptive impulses and moods. The propensity to suspend judgment—to think before acting</td>
<td>Trustworthiness and integrity, Comfort with ambiguity, Openness to change</td>
</tr>
<tr>
<td>Motivation: A passion to work for reasons that go beyond money or status. A propensity to pursue goals with energy and persistence</td>
<td>A strong drive to achieve, Optimism, Organizational commitment</td>
</tr>
<tr>
<td><strong>The Ability to Relate to Others</strong></td>
<td></td>
</tr>
<tr>
<td>Empathy: The ability to understand the emotional makeup of other people. The skill in responding to people depending upon their emotional reactions</td>
<td>Expertise in building and retaining talent, Cross-cultural sensitivity, Service to clients and customers, Effectiveness in leading change, Persuasiveness, Expertise in building and leading teams</td>
</tr>
<tr>
<td>Social Skill: Proficiency in managing relationship and building networks. An ability to find common ground and build rapport</td>
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</tbody>
</table>
What Leadership Competencies Do Sales Managers Need?

The studies we discussed in this chapter suggest that sales managers today need to focus on and develop better leadership skills than in the past. According to the responses of sales vice presidents, many sales managers appear to be unprepared to play this role. The highest-performing sales organizations rely heavily on their sales managers to provide representatives with ongoing coaching and feedback. In fact, it is a key predictor of the success an organization will achieve. In addition to developing their coaching skills, two other leadership development methods, which have increasingly been utilized over the past 20 years are mentoring and working in teams. We will look at these activities next.

Coaching

What image comes to mind when you hear the word *coaching*? Perhaps you envision someone involved in athletics or the arts. Can you imagine a performer or team trying to perfect their performance without the benefit of someone giving them feedback? No doubt you have probably tried performing some activity without the advice of a coach or teacher. Contrast that performance with one in which you received feedback. As you probably know, the value of a coach can be significant.

Coaching salespeople is not that much different than coaching athletes or performers. A study of over 1,000 firms found that salespeople who receive at least one-half day a week, one-on-one with their managers are twice as productive as other salespeople. As we mentioned earlier in the chapter, Mark Baranczyk, a regional sales manager for the Jacob Leinenkugel Brewing Company, spends about three days each week in the field working with his sales representatives. During and after each of the sales calls, Mark coaches each of his representatives. This includes asking them questions about their performance, offering positive feedback and advice, perhaps setting aside time for practice, and setting future performance-related goals for them.

For sales coaching to be effective, a sales manager should follow several guidelines:

1. **Prepare and observe.** Let your sales representatives know you are joining them to observe them and offer your feedback. Make sure you understand the objectives of the calls they are making. Watch for nonverbal communication and listen carefully.

2. **Give feedback.** Avoid asking your sales representatives “yes” or “no” questions about how well they performed. Instead, ask them open-ended questions such as the following: “What other options could you have offered the customer when she objected to the product’s price?” Be specific when pointing out a person’s good selling skills and those that could be improved. Telling a representative that “You should take more initiative” is not as helpful as telling the person something like the following: “When the buyer didn’t know if there was a good fit between the two systems, it probably would have been a good idea to ask her to explain where the fit was ‘off’ or ask her to try to use our product during a no-cost trial period.” Focus on improving your reps’ skills rather than dwelling on things they did incorrectly. Provide the feedback as soon after the observation as possible.

3. **Be a role model.** Modeling or demonstrating the desired behaviors and letting your representatives model that behavior is a powerful way of coaching people. Explain how and why you did the things you did. Give your representatives the opportunity to use the same tactics you did.

4. **Follow-up.** Demonstrate to your representatives that you follow up—in other words, that you do what you say you will do.
5. **Trust.** When there are high levels of trust between sales representatives and their sales managers, the relationships will be more productive than those relationships that lack trust.

Sometimes it doesn’t matter how great a coach a sales manager is. It still might not be enough. An example might be a case in which a sales representative is excessively absent, misses appointments and deadlines, experiences numerous customer complaints, or even is involved in auto accidents. This could indicate that the salesperson’s on-the-job performance is being impacted by other factors that no amount of coaching will cure. It might be that the salesperson just needs a little time off to deal with some pressing personal issues. However, when a pattern of these behaviors develops, it may be time for the sales manager to see if the salesperson needs professional counseling. The representative could be experiencing marital or family problems, financial stress, or health or substance abuse issues. In cases such as these, the sales manager should seek the confidential assistance of his or her human resources personnel. These people can help evaluate whether the representative needs professional help, and if so, help the person get it.

**Mentoring**

Many firms are encouraging sales managers to not only be a mentor but to also have a mentor. **Mentoring** is a long-term relationship in which a senior person supports the personal and professional development of a junior person. The mentor concept has its origins in Greek mythology. When King Odysseus was about to fight in the Trojan War, Mentor, an elderly friend, was charged by the king to watch over the hero’s son, Telemachus. Mentor provided insights to his younger protégée that only an elder, more experienced person could.

A mentor is the term used to describe a person who acts as a teacher or trustworthy advisor. The mentor typically does not have a reporting relationship with the person they are mentoring. Their relationship can be formally established by an organization or developed more informally.

Camellia Poplarski is a regional sales director for the drug maker Eli Lilly. Eli Lilly is a firm believer in the merits of being and having mentors. Typically a person being mentored benefits from being given the perspective of someone who has already “been there and done that.” Mentors can help those whom they mentor with everything from the proper procedures they should follow to career advice. As Poplarski sees it, “It gives you a leg up because you learn things that are not in any book.” Mentoring helps younger representatives become more knowledgeable about the marketplace, the firm for which they are selling, and its products. Having a mentor program can also give a company an advantage when it’s recruiting new sales reps. Experts recommend that if your organization does not have a formal mentoring program in place, you should seek out an individual several levels above you—someone whom you trust and admire and ask him or her if they would serve in a mentoring capacity to you. Mentoring “sessions” are usually very informal and occur several times a year or when needed.

Traditionally there were two times when it was thought best to have a mentoring relationship. The first was when someone was just beginning their career (they learned what to expect) and the second was when senior sales personnel had reached a plateau in their career (they benefited from offering their counsel to new hires). Research has also shown that sales managers who were mentored by managers inside their firms are less likely to leave the firm and perform better than those sales managers with peer mentors, outsider mentors, or no mentors.
The Ability to Organize and Work Effectively with Teams

Historically, sales representatives have worked independently. However, with the more complex products and services firms are offering, the increased use of supply chain management, and a more global marketplace, firms are finding there are more situations in which their sales personnel must work in teams. Some organizations now assign a sales team to their key, or national accounts. To develop better product solutions for the buyer, a team might be comprised of representatives from several functional areas, such as sales, product development, operations, and customer service.27,28

Greg Shortell is the president and CEO of Network Engines, a company that makes server applications installed on computer hardware or packaged with it. Shortell says his company has moved from product-based sales to solution-based sales. “You need in-depth specialized knowledge . . . that goes right through all the steps from requirements to delivery—and different people have to fill those needs,” he explains. For example, a “prospecting” representative might work to identify and qualify leads before handing them off to a “sales” representative who would establish face-to-face communications with prospective customers. At this point, a specialist involved with the development of the product would talk to the customers about the fit of the product with their firms. If a sale were completed, the client might then be turned over to a “customer service and follow-up” team member whose job it is to ensure that the products are delivered on time and meet the customer’s quality expectations.29

Just working with other people does not make your group a team, however. A team is a small group of people with complementary skills, who, as such, are able to collectively complete a project in a superior way. They are committed to a common goal. Members interact with each other and the leader and depend on each other’s input to perform their own work. Those teams that are empowered to handle an ongoing task are considered self-managed teams. A project team is organized around a unique task of limited duration and is disbanded when the task is completed.30

Sales managers working with teams will fare better if they take the time to structure and organize the teams when they are initially established. If they don’t take the time to do so, the team will likely struggle. An initial “orientation” type of meeting in which the team members learn about each other’s skills and the team’s goals is often a good idea. The responsibilities, tasks, and leaders of the teams should be clearly assigned so that everyone
understands what is expected of them and who “owns” the different aspects of different accounts or projects. Another important element of successful teams is sharing client communications. Contact management systems can be used for this purpose. Sales managers also need to make sure the team has the right people with the right skills and is only as large as it needs to be. Make sure that reward systems are in place that will motivate the individual efforts of people on the teams as well as the teams as a whole. Poorly designed reward systems for teams are a frequent reason why they fail.31

Being a Team Member

Once you have a team up and running, what should you expect from them—or what’s expected from you as a member of a management team? Again, we will provide a short summary of some actionable behaviors a new sales manager (and team members) should consider engaging in when working with their teams.32

1. Get involved. This is particularly important when someone falls behind on their commitments, especially because of important personnel issues or crisis situations.

2. Generate ideas. Team members who contribute innovative and creative ideas are harder to find than those who opt not to contribute.

3. Be willing to collaborate. You might not enjoy working with all of your colleagues, but you need to be able to work with them for the benefit of the organization.

4. Be willing to lead initiatives. Future projects are full of uncertainties; being willing to take a risk is a valuable attribute.

5. Develop leaders as you develop. It is important to personally be involved in developing your employees.

6. Stay current. Know what is going on in the world and with your customers and their markets.

7. Anticipate market changes. Don’t sit back waiting for change to occur; plan for it.

8. Drive your own growth. Constantly seek out education and self-development opportunities through the activities and assignments you are engaged in and in your personal relationships.

9. Be a player for all seasons. Be open to change in good times and bad.

VIRTUAL TEAMS Oftentimes sales managers have personnel in different geographic locations work in virtual teams. These people send and receive the majority of their communications electronically as opposed to in person. Some sales managers, like Katherine Twells at Coca-Cola, work virtually with their representatives and also in person with them. For others, such as Michael Muhlfelder of Pragmatech Software whose sales force is widely dispersed, working at a distance is the norm. Muhlfelder uses e-mails, instant messaging, and weekly calls to communicate with his reps. Tips for working with virtual teams include:

- Select the technology that works best for the team. Although some technologies might sound appealing, the majority of teams prefer to use an Intranet Web site with areas on team information and contacts and discussion and information posting. When needed, they will hold a teleconference.
- Communicate frequently. Most groups do so daily.
- Track down members who aren’t participating. This is especially important during the early life of the team when norms are being set. The leader of the virtual team needs to ensure that all members of the virtual team are participating in the process.
- Have agreed-upon ground rules for the team’s interaction. For example, require team members to answer e-mails within 24 hours, even if their replies are brief.33,34
Bill Febry, a former sales executive for Jacob Leinenkugel Brewing Company, says sales managers should “educate, motivate, and inspire.” However, he notes that he can’t do that by e-mail: “As much as I’d like to see every one of my direct reports in person, when I can’t, I make an effort to pick up the phone and speak with them personally—not an e-mail, not a recording on the voice mail.” In other words, in even the best virtual teams, there’s no substitute for personal contact. You can’t solely manage people electronically—at least not very well.

The Future of Sales Management

Whether sales managers are supervising, managing, and/or leading, they will always face challenges. Business executives have identified five challenges for future leaders:35

1. **Incorporate globalization/internationalization of leadership concepts.** Sales leaders must be comfortable and knowledgeable doing business in the international marketplace (see Chapter 15).

GLOBAL SALES MANAGEMENT

Developing Global Leaders

Chapter 3 identified the need for companies to engage in cross-cultural leadership research. That’s a good start, but the question remains: How do companies translate those findings into action? A Conference Board study found that 79 percent of the companies it surveyed are accelerating their global leadership development activities. The survey identified several activities companies use to develop their international leaders, specifically in the Asia-Pacific area.

The top programs used to develop business leaders in the Asia-Pacific region include:

1. Internal management programs: 44 percent
2. Company training programs: 40 percent
3. International assignments greater than 2 years: 36 percent
4. Mentoring and/or coaching: 33 percent
5. Participation in cross-functional international teams: 33 percent

Some companies have gone beyond region-specific competencies to country-specific competencies. Agilent Technologies has identified the following China-specific leader competencies that will help focus both locals and expatriates working in China:

1. Persuades effectively
2. Builds networks and alliances
3. Drives operational efficiency
4. Communicates effectively
5. Balances cultural sensitivities
6. Demonstrates individual and organizational awareness.

Three recurring themes were 1.) collaboration, teamwork, communication; 2.) alignment across borders; and 3.) people development and coaching.

2. **Increase the integrity and character of leaders.** Sales leaders of today need to be humble, team builders, and good communicators. Transformation leadership works only when leaders have a solid moral character and a concern for others, and demonstrate these through their actions.

3. **Incorporate new ways of thinking about leadership.** Leadership is shifting from a focus of individual leaders toward developing the capacity of all group members.

4. **Integrate technology.** Technology changes how we live and work; how information is gathered, organized, and shared; and how we communicate. Leading a virtual team located in different parts of the country and globe is a reality. Leaders will clearly have to be much more engaged and comfortable with technology.

5. **Demonstrate return on investment.** Leadership development activities—just like other forms of training—must be able to demonstrate their effectiveness. Those aspiring to sales leadership positions would do well to use these challenges to guide their future directions.

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**Summary**

In years past, many sales managers were promoted because of their excellent selling skills, with little regard for their management skills. Today, however, people know that sales managers with good managerial skills have a big impact on the success of firms. However, many organizations find that their sales managers lack these skills.

In terms of supervising their representatives, sales managers observe their representatives (more often, new hires) and then give them suggestions for improving their performance. A sales manager’s presence can help ensure that if the salesperson needs assistance, he or she will get it. In some firms, more experienced sales personnel, called first-line managers, supervise new representatives.

There are a number of facets related to managing sales representatives. Although the goals of a firm are generally set by its executive officers, most sales managers are charged with setting the objectives of their unit to meet those goals and develop the budgets to support them. Sales managers are also responsible for organizing and staffing their units and analyzing the performance of their representatives to make sure they are achieving their goals. Sales managers utilize a number of sources of formal and informal power to accomplish these tasks.

Research confirms that sales managers who have strong leadership skills and who develop their sales representatives are more likely to have higher-performing sales forces than sales managers lacking these skills. Sales managers who adopt a transformational leadership style of management focus on the needs and motives of their representatives and work to develop them. Sales managers with high levels of emotional intelligence have the ability to understand and manage the emotions of other people.

Other leadership skills that have become more valued in sales managers are coaching, mentoring, and team-building. Coaching involves providing immediate feedback to your sales representatives in a positive way. Serving as a role model and demonstrating the behaviors you want your representatives to emulate is a powerful way to coach people. To successfully coach your representatives, they also need to believe they can trust you. Mentoring occurs when a senior member of a sales organization provides long-term career advice to a more junior member. This type of career guidance helps individuals gain new insights about their fit and contributions to the firm. The ability to build and develop sales teams is another skill set sales managers are increasingly being called upon to master. Because sales forces become more geographically dispersed and products and services are
becoming too complex for a single individual to sell, sales representatives are increasingly working in teams to achieve their firm’s sales goals. In even the best virtual teams, however, you can’t solely manage people electronically. There’s no substitute for personally contacting your representative either in person or on the phone.

Questions and Problems

1. Describe a situation in which a sales manager would engage in supervisory behavior? When can sales reps benefit most from supervision? Why should sales managers consider supervising a good investment of their time and efforts?

2. What activities are involved in managing a sales force?

3. How is a sales manager involved with organizing and staffing the sales force?

4. What bases of power available to a sales manager do you think are most effective and why? What bases of power does your favorite instructor exhibit? What about your least favorite instructor? List some examples of instructors’ behaviors that illustrate each type of power.

5. Management skills are something new sales managers need to develop. What are some specific behaviors that they should engage in? What misperceptions do sales managers have about managing people?

6. Why is the concept of leadership of such importance to vice presidents of sales? What has caused their heightened concern?

7. How are transactional and transformational leadership approaches different and how are they displayed in a sales manager’s behaviors? What are some of the components of emotional intelligence? Who do you know that exhibits a high level of emotional intelligence?

8. Imagine a situation in which your sales rep just had a poor sales call. What coaching principles should you make sure you follow as you provide the rep with feedback? How would you initiate such a conversation?

9. What is the value of having a mentor? Explain why you would or would not want to have one as a sales representative. Why would a salesperson want to be a mentor if it takes time away from selling to their clients?

10. Sales reps usually work independently. How would you encourage your reps to work as part of a team? What objections do you think they would have to being a team member, and how might you counter them?

11. Consider the team projects you’ve worked on in school. What are some of the behaviors you like to see your team members engage in? Do you believe your team members would behave differently in virtual teams?

Key Terms

charismatic power 223
coercive power 223
emotional intelligence 228
expert power 223
informational power 223
legitimate power 223
mentoring 230
project team 231
referent power 223
reward power 223
self-managed teams 231
supervision 220
transactional leadership 227
transformational leadership 227
virtual teams 232
Role Play

Outside Escapes

While she was in college, Gretchen Hutterli developed quite a reputation for the spring break vacations she planned for her friends. By the time she graduated, she had started Campus Getaways, a company that specialized in offering vacations to students. Gretchen realized, however, the limitations of working only with this market segment (lots of promotional costs, nearly complete turnover of customers, and little loyalty). In an attempt to find more loyal and profitable customers, she developed a concept for a new company called Outside Escapes. Outside Escapes offered one-week vacations involving activities (rafting, kayaking, hiking, cycling, ziplining, and so forth) in exciting locations that ranged from the Grand Canyon to Costa Rica. Outside Escapes was marketed to young (usually single) businesspeople who enjoyed an exciting vacation with social opportunities and could afford to spend several thousand dollars on a vacation for themselves. Gretchen’s newest, most profitable division is Green Getaways. It is marketed to organizations as a training retreat/team-building opportunity. Both divisions sell the same vacation (although the participants are never commingled) and use the same sales force.

Gretchen’s sales force has been modest in size, with three regional offices, each with five to seven sales reps and a sales manager. Each region is organized roughly by time zones (eastern, central, mountain, and Pacific) and has a sales office, but most reps work in other cities and out of their offices. Selling involves inside (telephoning contacts) sales and outside work (making corporate contacts and presentations). Reps are paid a salary and commission. Calls are forwarded to offices that are open, depending upon the time zone. Oftentimes a rep will begin working with a client in another time zone and then a different rep in the same time zone as the client will close the business. When the company’s offices were small, this was not a problem. However, because its sales force has been growing geographically, it has become an issue. Gretchen has announced that she has plans to increase the company’s sales by 25 percent for each of the next four years. Consequently, the problem is only likely to get worse unless it’s resolved. She has brought the company’s sales managers together to develop a plan.

Assignment

Divide into pairs. One of you should play the role of one sales manager who believes that dividing the work in a team fashion will improve Outside Escape’s business. The second person should play the role of a sales manager who believes that each sales representative should work independently. Gretchen wants the two of you to develop a list of advantages/disadvantages of each of your approaches and suggestions on how you might proceed if your approach were implemented.

Caselet 10.1: Friend or Mentor? Deciding When to Take Action

It was spring, and Carol was waiting in a restaurant for Helen to pull up in her little red convertible. Back when Helen was a rookie and her subordinate, Carol recalled how Helen had achieved a banner year and received a big bonus. She had used the bonus to buy the “car of her dreams.”
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However, instead of pulling up in a little red convertible, Carol noticed Helen pulled up to the restaurant in a yellow taxi. “Where’s that hot car of yours?” Carol asked her old employee.

“Oh, it’s in the shop,” Helen replied, and she quickly moved on to get caught up on how her friend and former boss had been since they last met about six months ago at their company’s fall sales meeting. Over the past several years, both women had moved on within the company. Carol had moved into another sales management position, and Helen had moved into a position that handled larger accounts. However, the two women had managed to stay in contact with one another and have dinner together twice a year prior to their semi-annual sales meeting.

Carol had never officially been asked to mentor Helen. However, over the years Helen had sought her advice when she had difficult decisions to make. Thus, the mentoring relationship between them seemed to naturally evolve. Lately, however, Carol had heard that Helen’s performance seemed to be slipping a bit. Other sales managers were talking about how she had missed appointments and meetings and had not met her deadlines. This certainly didn’t seem like the Helen Carol knew.

About halfway through dinner, Carol noticed that the bottle of wine she and Helen had been sharing was empty, although Carol had consumed only one glass. Although the food was a little slow in being served, the popular “reservations only” restaurant they were dining at seemed to live up to its reputation. Nonetheless, when the women were finally served their dessert, Helen suddenly and loudly berated the waiter about his poor service. Carol was stunned. She had never seen Helen do such a thing in the past.

Carol knew a new sales management position was opening up soon and that her opinion for a new candidate would be sought. As Helen ordered “after dinner” drinks for both of them, Carol began to reconsider recommending her for the position.

Questions
1. Where should Carol’s loyalties lie? What do you think is going on with Helen?
2. As her informal mentor, should Carol take it upon herself to ask Helen about her performance and what’s causing it to decline? Or should she mind her own business?
3. What other actions should Carol consider taking?

Caselet 10.2: Teamwork?

The Walnut Creek Gazette started out as a small-town California newspaper. However, as the town of Walnut Creek, California, grew over the years, the paper’s circulation grew, too. Nina Fong had worked her way up in the Gazette’s advertising department. Fong had started out as a sales assistant, became a customer service rep, followed by a team leader, and finally a sales manager. In her position she is responsible for seven, 4-person teams.

The Gazette’s sales assistants spend most of their time on the phone identifying and developing new accounts and then turning them over to account managers. Each team has two account managers who work in the field and personally contact clients. Customer service representatives make sure the Gazette’s clients are satisfied with their published ads. Team members are compensated based both on their individual performance and the productivity of their teams as a whole.
The sales quota deadline for Nina’s teams is fast approaching. Nina has just received a phone call from Bruce Nygen. Nina knows Bruce. He is the manager of a new store moving into the far edge of the Gazette’s southwest sales territory. He had previously e-mailed Nina to check into buying some ad space. He was considering several advertising options to help him achieve certain promotional objectives, and he wanted to see how the paper could assist him.

Bruce has just explained to Nina in his phone call to her that no one from the sales department at the Gazette has contacted him. Nina is surprised. Lindsey Newman is a competent, senior account rep in the Gazette’s southwest territory. Morgan Hendricks is a newer, less experienced representative who is still developing.

Nina is wrestling with the decision as to which account manager she should hand the lead to. She feels that someone as experienced as Lindsey should have already contacted Bruce as a potential new client. But Morgan has recently lost two of her accounts because her clients were not satisfied with their ad buys and the customer responses they generated. Nina knows a large sale in this territory will push this particular team over its sales goal and add to everyone’s bonus, including her own.

Questions
1. What are the advantages and disadvantages of handing the lead to Morgan, the newer account manager?
2. What are the advantages and disadvantages of handing the lead to Lindsey?
3. How would you make this decision?
4. How do you think your decision would affect the rest of the members on Lindsey’s and Morgan’s team?

References
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