

10-Step Sales System for Growth: Step 5

One of the value drivers that business owners find most difficult to improve is revenue growth. Unless your products and services are obsolete or not competitive, revenue growth is achievable. But it requires a well thought out plan, discipline, and hard work. This series of articles provides a step-by-step approach to grow your revenue and perhaps even surpass your sales goals.

Step 5: Your Sales Plan

Your Sales Management Plan should include:

- sales goals or quotas for every person accountable for generating revenue
- an economic model explaining how the revenue will be attained
- a tactical "how-to" at every revenue leverage point
- a compensation system
- measurable activities, reports and results, and
- one-on-one coaching and training for success; including motivational feedback on results.

Let's look at each of these in more depth:

Sales Quotas- Assign sales quotas that, when totaled, are slightly higher than the company's sales goal, assuming the company's sales goal is realistic. I once worked for a Fortune 500 Telecom Company where the rollup of all the sales positions was triple the actual plan. Don't do that! There's nothing more discouraging to a salesperson than receiving an impossible quota.

Economic Model- This consists of the activities that turn leads into sales. Each revenue leverage point changes the output. If XYZ Company operates off leads that turn into sales then each salesperson needs metrics for generating leads, running appointments, closing rates, average invoices, etc. Compare these goals to the previous year or period in time to show progress.

Tactical "How-To" Plan- Every company is differ-

ent. Your plan needs to document how to improve performance. If salesperson #43 for XYZ Company needs to improve her average invoice from \$10,000 to \$11,000, a 10% increase, then her plan may include:

- selling more products
- focusing on larger accounts or transferring out the smaller ones
- attending seminars to learn how to "add on" to customer orders
- raising prices

Compensation System- Spend some time on this one. My general advice is to make sure that your system:

- rewards efforts that go above and beyond;
- makes bottom performers start looking for other jobs;
- does not lock you into an entitlement program, including heavy base salaries
- is simple; (Your accounting department should be editors, not authors.)
- aligns with your strategic direction, including products and margins;
- has some restrictions. For example, one company I consult with requires zero unexcused absences in order to receive a bonus for that month;
- states that the plan may be changed at any time and for any reason by management, and that employees must be in good standing to earn bonuses, etc. Account for any "one-offs" to prevent problems;
- an complies with your state and federal laws, and if there are any issues, to resolve them quickly.

Additionally, you may want to consider spiffs to test new products and keep everyone in the game. If you do run spiffs, communicate the results every day.

Measurable Activities, Reports, and Results-

Most companies measure sales effectively, but sales are simply the end result. What about causes? You can't change sales without focusing on cause. What you report on receives attention and improvement. For example, a company I'm working with is currently focused on increasing average invoice through training, a contest, and daily communication. Low and behold, they are seeing the average invoice going up. What other reports do your salespersons and managers need to be successful?

Coaching- Who was your best coach growing up? Did they only say nice things to you? I doubt it. But, they made you try harder, and you did. That's your

job and the job of your managers; to go through goals, performance improvement plans, compensation and measurable activities/results in one-on-ones. Think cause and effect. Work with employees. Encourage and reward them. Celebrate and hold accountable. Pick up the phone, send emails, meet one- on-one. Be consistent and helpful.

I'm a firm believer that employees cannot be held accountable unless they've been fully trained, provided with an economic model, and given performance improvement activities with due dates; all of which have been signed by the manager and the employee. The entire system needs to be airtight for clarity and best results.

For more information or to learn how L. Harris Partners can help you grow your business:



Phone 952.944.3303
tom.siders@lharrispartners.com
www.lharrispartners.com