

Coaching a Sales Team

by Dan Apple
Apple Marketing, LLC



So you've grown your business to the point where you need to add more sales people. Great. All you need to do is find a way to clone yourself, right? I mean since most garage door company owners had to become accomplished sales people in order to succeed in their business, you just need to hire sales people that know what you know about selling. That's easier said than done. No, building and managing a successful sales team takes time, patience and resources. However when it's done well the dividends to your company can be huge.

Understanding the Mission

The sales team is the "engine that pulls the train" in any business. Simply put, nothing happens until something is sold. Think about it. Your installers have nothing to install, your accounting people have nothing to bill, your dispatcher has nothing to schedule unless sales are made. That's why a company's success starts with its sales team. That's not saying that each department isn't equally important, it's just that the process starts with selling something. So the mission of your sales team is to provide profit to your company's bottom line through the sales that they generate. That's right, the sales team doesn't just sell stuff, they initiate the profit process which is the lifeblood of your business.

Coaching VS Managing

Football season is here again. I think you will agree that the most successful teams are well coached. Managing a successful sales team is more about coaching than managing. I think of managing as mostly monitoring a process. Coaching is different. This is because coaching involves being actively involved with your people, and people need coaching in order to help them accomplish their goals. Remember, their goals are the same as your goals which is profitability for your company. Think about it. Good coaches look for and hire great talent, provide instruction, define player position assignments and set the overall game plan. Most importantly they support their players with the needed resources to win. You will continually assess each sales person's strengths and weaknesses in an effort to develop a seasoned, professional sales team. Catch them doing something right and give instant positive feedback. This will only encourage them to repeat the desired good behavior and let the player know that you are there to support them. To be successful you will need to develop a one on one relationship with each sales team member, one of trust and confidence. Players play best for coaches they respect. Earning it is the key.

Get Your Team Organized

Selecting Your Players - As with any team you must have the right players. As the team's coach it's your job to get this done. In the garage door industry, selling requires a myriad of talents including technical aptitude, organization and people skills. Like a football coach you can draft new talent from outside your company or you can develop players already on the team. Hiring experienced sales people from outside the organization may be an effective way to short circuit the training required to do the job IF they truly are seasoned sales professionals. However there is the technical side of the garage door sales that will need to be learned. Just because your prospective hire did a good job selling cars or appliances, it may not translate to success with garage doors if he or she cannot grasp the technical aspect of the product.

The other option would be to promote someone from within. An installer, dispatcher maybe even an office worker. What we see most in the industry is converting an installer to sales. The big leg up here is the technical understanding of the product. The big learning curve is teaching them to become a professional sales person. Both hiring options can prove successful but it will require a serious investment of your time to determine the

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prospective player's talents and abilities before you add them to your team. In either case I would suggest trying to find people better at the job of outside sales than you are. While that may be difficult to admit, your ego must take a back seat to your company's sales success.

Training - Once you've selected your sales team's players the next step is training. Regardless of their experience level you'll need to teach them about your products and company culture. If your organization is larger, having your more experienced sales people mentor more junior team members can be invaluable, provided the person mentoring is rewarded accordingly. Some door dealers I've met think that once hired, all they need to do is give them product manuals, a company car and a laptop and point them in a direction to hit the streets. Big mistake. Just like you would not give your new football player shoulder pads and a helmet and throw him into the game, a new sales person needs training and resources to be a success.

Resources - Your sales team players need resources to be successful. Don't skimp on these. If your company provides a vehicle, make it dependable, sharp looking and comfortable. Since an outside sales person spends so much time behind the wheel, the car or truck should be a reliable tool that helps him or her sell. I am not suggesting extravagance but rather an efficient vehicle that the sales person doesn't have to worry about.

Among the other tools needed is a computer. In this time of instant, on-line access, successful sales people can generate a professional looking printed proposal while in the customer's home or business. Whether this is done with a laptop or iPad-type device, a way to electronically communicate with the customer on the spot is a must.

Another important resource is the company's pricing structure. A consistent pricing policy will help your sales person and your bottom line. Whether you create a set retail price list or allow your sales reps to work pricing up on a per job basis, establishing firm cost of sales elements and profit margin guidelines will help eliminate costly errors and profit losses. But you must constantly communicate these policies and provide training as often as needed. It's difficult to hold a sales person to a profitability standard if they do not understand your expectations.

While the sales team player will need other resources including product manuals, samples and access to manufacturers' online support, the most important resource the sales person needs is YOU. As coach, in order to get the most from your players they must know that they can count on you to help them succeed. Whether it is training, assisting with sales presentation preparation or dealing with a difficult customer, a good coach is always available to his or her players.

Creating the Game Plan - As with a football team, your sales team needs a game plan. That starts with your company's profit goals. An effective approach in establishing a sales goal is to first establish the net profit desired for the year. Once that amount is understood it is pretty easy to back into the sales volume needed to support that number. First, determine your break even point. To do this, divide your fixed expenses (overhead) by the

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Example:		
Fixed expenses (operations, office, selling expenses etc.)		\$600,000
Gross Margin Percentage Desired (sales minus material, labor freight etc.)		40%
Break even sales = \$600,000 / .40		\$1,500,000
Net Profit Desired		\$160,000
Additional Sales Needed (\$160,000 / .40)		\$400,000
Total Sales Needed (\$1,500,000 + \$400,000)		\$1,900,000
Proof:		
Annual Sales Budget	\$1,900,000	
Less: Cost of Sales	\$1,140,000	60.0%
Gross Profit	\$ 760,000	40.0%
Less: Fixed Overhead Expenses	\$ 600,000	31.6%
Net Profit	\$ 160,000	8.4%

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gross margin you expect to make. That will establish the sales dollars needed to net zero profit. Then estimate the additional sales needed over and above break even to allow for the net profit desired. Do this by dividing the profit dollars desired by the gross margin percentage.

Once you establish the overall sales budget you are then ready to assign individual sales quotas to each sales person. Many things affect this decision including the types of products to be sold, geographical territory and markets covered. For instance if the sales person is going to sell primarily residential products you need to decide first which products. Garage doors, entry doors, awnings, gate systems? Once products are established, which market segments will be solicited. Builders, homeowners, multi-family? Then, which area of your company's territory will be covered? If their role will be commercially focused, the same decisions need to be made. Which products? Overhead doors, commercial pedestrian doors, dock equipment, other? Which markets...general contractors, industrial sales, service and maintenance? What area of your territory? I suggest that you make the sales person part of the budgeting process, especially people that have been selling for you for some time. You are likely to get much greater buy in if they are part of the process instead of just receiving a number.

Once the individual sales quotas are assigned, clearly communicate these expectations. Do this in writing and break it down in terms of annual, monthly and weekly quotas. Bite sized pieces are easier to digest. So maybe focus on the daily sales



quota for best results. Always require your sales staff to know where they stand on a daily, weekly and month-to-date basis. Requiring each sales person to turn in or email a simple "booked sales report" weekly is a good way to keep them focused and you informed of their progress.

I would caution you to set realistic, attainable sales quotas. It is far easier to raise the bar on a sales quota once the goal set has been met. Setting unrealistic sales quotas for your team can only set them up for failure. Once the sales team member gets a taste of success it is far easier to increase the amount expected.

Compensation - There are numerous ways to establish an effective compensation plan for your sales team. I would strongly urge against a straight salary method. A better plan involves paying for sales performance. Typically some variation of commission on sales made is a big part of the plan. Having a sales person's salary tied directly to their sales efforts is not only rewarding but typically will yield them a much better income. One that is especially effective involves a

minimal base salary, a straight commission on sales made (and payment collected) and a monthly bonus for meeting and exceeding gross profit expectations. Sales people should be held accountable for each job's profitability. It is customary to often deny commission if a job's profitability dips below expectations due to an estimating error or cost overrun.

Part of the compensation plan may allow for sales contests or spiffs throughout the year. Often the manufacturers represented by the door dealer will assist in these contests and offer incentives for selling their products at key times of the year. If a company vehicle is provided, this should be considered as part of the sales person's compensation as with fringes benefits including medical insurance, vacation time and retirement plan options. Finally, if a year end bonus is considered it should always be tied to sales performance for the year, not how long they have been with your company. Again, communication is the key for a successful compensation plan. Each sales person should understand their plan

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and as coach you should monitor their progress as the year progresses. Tell them periodically how they're doing, especially at their end of year performance review. The best possible scenario is that their compensation continues to climb and be parallel to increases in your sales and profits. It's a win-win for coach and player.

Tracking Performance

Weekly Huddle Ups - As coach you want to huddle your team up each week to see how the game plan is working. Meeting just to meet is a waste of time. Meeting for constructive and timely bi-directional feedback will keep your team (and you) on track. Keep it short, under an hour. Require each sales person to give a brief verbal report including booked sales for the week, key sales made or new accounts won and share at least one "victory for the week" with the group. Maybe even sharing information about market conditions and competition with the group can be very helpful. Your goal as the coach is to foster interaction among the sales people so that THEY do most of the talking. Even a little friendly competitive spirit within the group is healthy. Have fun with it. Make sure to report back to them in the group setting where they stand month-to-date and celebrate those making their quota for the week. Something as inexpensive as movie passes is a good way to provide instant reward for a job well done.

The Numbers, the Numbers, the Numbers - As I stated in the beginning of this article, the business' success starts with the sales team. It is your job to watch the sales numbers and profit margins like a hawk. Many computer software systems now allow for you to track profit on a per job basis, by sales person. Even better is software that during order entry, the gross margin is shown as the sales person enters the quote or order. They have a good idea right up front as to what gross margin is built in based on the costs and selling prices entered. A snapshot of the job's profitability BEFORE any work is done.

Do not wait until the end of the month. Review these type reports weekly so you can give real time feedback and supervision as needed to your sales team. Remember, the sales figure is the largest number on your operating budget and affects your profitability more than any other. Make sure your sales game plan stays on track by carefully and constantly reviewing your team's sales numbers.

Evaluate Your Players - Watch what people do versus what they say. Show me a sales person full of excuses as to why their sales are not meeting expectations and I'll show you someone that's wasting time and probably on their way out of the door. Great sales people are always, always busy. Whether it's closing a warm sales lead, pioneering selling (cold calls)

or nailing down new accounts, successful sales people are self starters and are constantly looking for opportunities to sell. For feedback on a sales person's performance start with him or her. Most of the time they'll tell you honestly how they think they are doing. Contact key customers for feedback about your sales person's performance and how they are representing your company.

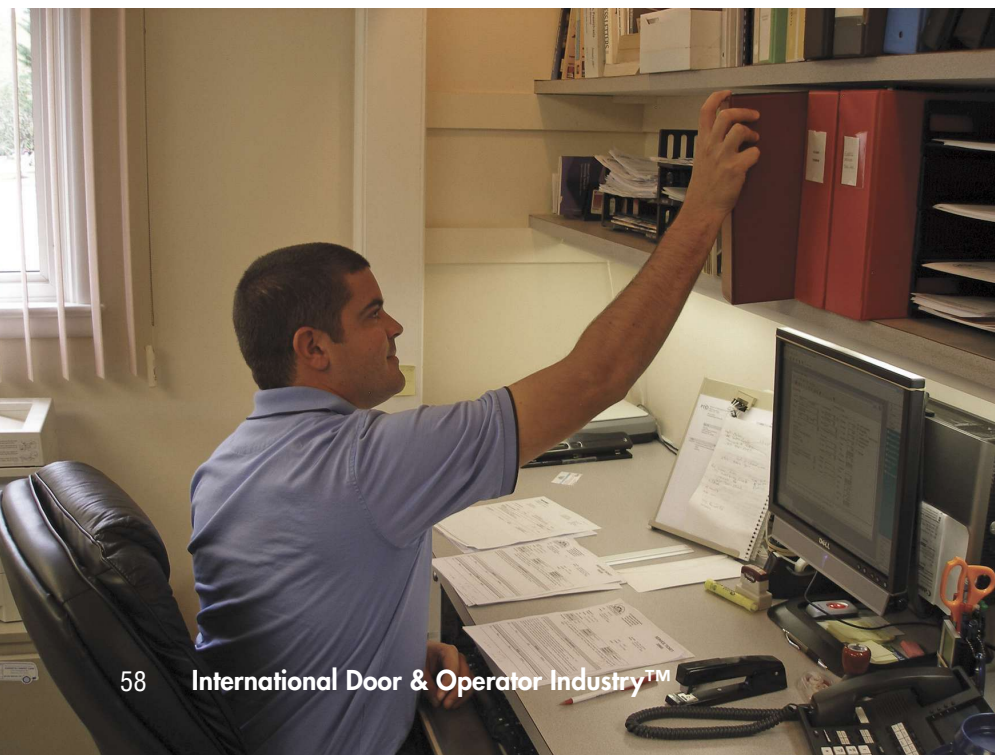
Another good source of feedback is the other departments within your company. See what your dispatcher or bookkeeper says about your sales team member. Are they a team player? Easy to work with? Since sales people depend on the rest of 'the train' for support, it is imperative that they are well respected within your organization. Players that are having difficulty deserve your support. More training, clearer direction or whatever is needed is a coach's job. However, if it becomes clear that your team member is struggling after a concerted effort to develop his or her skills and performance, do not be afraid to make a change. You will be doing both the person and your organization a favor. Finally, give written annual performance reviews. Give them a copy prior to sitting down with them so they will have time to digest your comments about their performance and be able to discuss it with you effectively. In the review make sure to state sales quota expectations for the coming year and set performance improvement goals to work toward.

Celebrate Successes

Expect A Lot, Give A Lot - You should never apologize for expecting superlative from your sales team. Keep the bar high. You will only be helping the individuals and the company as a whole. However, expecting a lot requires that you, as coach, give a lot. A lot of your time and resources. If you do this consistently it should pay big dividends in the long run.

Celebrate Quickly and Often - When your sales team member turns in a winning performance, always remember to celebrate. Don't wait. Communicate his or her success to the entire organization

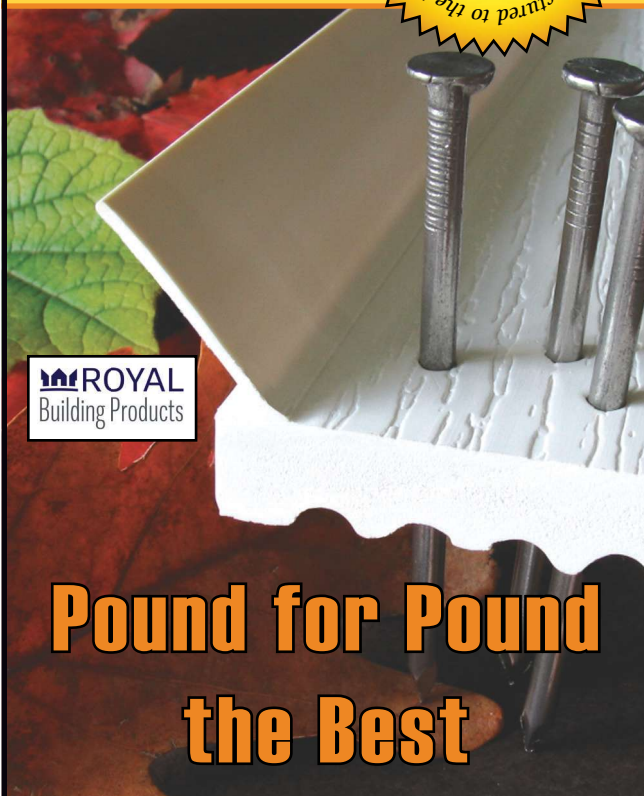
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so that everyone can join in the celebration. This can be done very effectively via email or text. It does not have to be elaborate. A photo of the job, the sales person and a quick description of the success story. When reviewing your team's sales for the month, let everyone know who made their quota. Post new accounts landed by your sales person and a brief description of the hard work required to win it. Have impromptu celebration lunches for your sales group when they've hit the mark for the month. It may be something as simple as coffee and doughnuts for having a good week.

Reward Excellence - Consider giving your sales team members something permanent to commemorate their sales achievements annually. Do this in front of your entire organization if possible. Whether it is a simple plaque or an emblematic gift, it's the recognition that's most important. One door dealer I know had a "Million Dollar Club." Each sales person that generated a million dollars of sales in a single year received a collegiate style gold ring with the company's logo and a black onyx stone. Each year thereafter that the person sold another million a small diamond stone was added. While this sounds really expensive in the whole scheme of things it was a bargain. Several sales people won this award numerous times and proudly sported these rings as a badge of honor. Rewards can also include weekend getaways, dinner at high end restaurants or even gift cards at local stores. Again, it's not the size of the reward, it's the timing and the sincerity behind it. And of course, let's not forget cash. Increases to compensation should be tied directly to performance for the year. Your best sales producers should be paid accordingly.

Summary

Coaching a sales team is a challenging and rewarding experience. The great pro football coaches, Lombardi, Landry, Shula and others all had three common attributes observed by their players. They were firm, but fair, and extremely well respected. The main reason for the respect was simple. No matter how strict they were or how much they disciplined their teams, at the end of the day the players knew their coach cared about them as a person and a player. Consider managing your sales group by coaching them to success. Who knows, the result may be your company winning the annual door dealer SuperBowl....a record setting profit for the year!

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Dan Apple is president of Apple-Marketing LLC, a consulting firm located in Richmond, Virginia and Bonita Springs, Florida. His focus is on garage door dealer profitability and marketing. Dan served as president of Apple Door Systems in Richmond for 33 years which grew to a statewide dealership with eight locations. He was the first president of the Institute of Door Dealer Education and Accreditation where he was responsible for creating the industry's first national accreditation program in 1998. Dan also served as a director of the Door & Operator Dealers Association and the International Door Association from 1994-1998. For more information, contact him at 804 640-4253 or email: danielapple@me.com.

