

POINTLESS TARGETS

By

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I recall a heated discussion with a sales director some time ago where I proposed that the long-term effect of setting activity targets for salespeople might eventually lead to failure. He vehemently made the point that he had systematically imposed activity targets on his sales force and that the result had been to treble average income per salesperson within 18 months.

What he didn't say; something which I found out when I investigated further; was that he had at the same time:

- reduced his sales force from 450 to 300 – letting the bottom 150 hundred producers go, and
- the average income per salesperson at the time he took over was one quarter of the industry average

There are two types of targets most often associated with selling and sales coaching:

- Financial targets – results, and
- Activity targets

So where do they both fit into the system?

Financial Targets – Results

You may believe that they belong in the rules section of the professional processes. Whilst understandable from one perspective, placing financial targets in amongst the rules can cause problems.

If I am a footballer, I understand the rules of the game and have to follow them; but nowhere in the rules does it say that you have to win. The purpose is to win, but the rules do not say you have to win. It is accepted that it's pointless playing without the intention of winning, however winning is something that's not necessarily within my control. If my colleagues and I play well, and to our potential; if we score more goals than the opposition; or let in less goals in than the opposition; we will win. But what if they play better? What if they are better? What if the referee makes a series of really bad decisions that go against us? Winning is a purpose; it's the objective; it's the goal; but it's not a rule. I do understand however that there are consequences in not winning, and I understand that if we don't win then we won't qualify to play in Europe. We may be demoted. I may be transferred. Even so, winning is not part of the rules.

If I am a musician in an orchestra, I understand the rules of music. I have a musical score to follow and obey the directions of the conductor. The purpose is to both interpret the composers score and the adaptation, if there is one, of the conductor. An additional purpose may be that if it's a recording session that we play well and the record is a success. The purpose is to make money. It may be the objective of the recording session. It could be the goal of the orchestra. Whether the record is a

success or not cannot be part of the rules. I do understand however that there are consequences to not selling enough records, and I understand that if we don't sell enough of them then we might not get another recording contract. The orchestra might be disbanded. I may have to get another job. Even so, selling a lot of records is not part of the rules.

If I am a film actor I understand the rules of acting. I follow direction. I learn my lines. I act the part. The purpose is to interpret the author's work to follow the screenplay. Clearly the purpose of making the film is to make money. It might be to win an Oscar for the film. Perhaps my own goal is to win an Oscar for myself. Making money and winning Oscars could be the goal – it can't be the rules. I understand the consequence of not making money. I might have negotiated a package that includes a percentage of takings. I might not make any money myself. The critics may pan the film. I might not get any more work for a while. Even so, being a successful film, making money, winning Oscars cannot be part of the rules. There are too many variables.

If I am a dancer in a west-end musical I understand the rules of the contract. I turn up for rehearsals. I learn my steps and how I am expected to interpret the music through choreography. The purpose is clear – to have a hit show; to make money; to win critical acclaim. I fully understand why all of this is important as without these outcomes, the show will close. I lose my job. Everyone else has to find work. Even so, none of these outcomes can be part of the rules. There are too many outside influences, which can dictate whether we are successful, or not.

So how can meeting financial targets in selling be part of the rules? There are consequences. If I don't meet the financial target I will lose my job. It's unlikely the sales manager will lose his or her job, but I'll lose mine. Only if the sales manager fails consistently and repeatedly will they lose their job. As a salesperson I don't get too many chances.

The principles which apply to the first four professions should apply to the latter. Clearly there have to be consequences but the consequences are not the primary focus. To get the best out of an individual, as a coach I have to focus the individual on delivering a professional performance. I cannot have the performer worrying about the big picture outcome. That's part of my accountability, even though the consequences of non-achievement will also affect the performer. They aren't stupid. They know what they have to do and they understand the consequence of failure. But in order to deliver of their best they have to focus on what they are doing, not on what the long-term goal is.

I'm not saying that you hide the desired end result or ignore it. It has to be part of the focus every now and then. You have to check whether people are moving forward and whether there's likelihood that the end goal will eventually be achieved, but you have to get the performer focussed on the job in hand every day, not the journey's end. Sure you will have discussions with individuals and the team about the long-term goal, but the day-to-day work has to be focussed on the small steps - whole part whole.

One thing you must do however is to make it clear from the outset what the long-term goals are, and what the consequences of non-achievement are. These have to be set out very clearly at recruitment stage. You tell people what is expected and what the consequences of non-achievement are. You'd be wise also to tell how you

are going to help them achieve the target and what training and support they will get. You should encourage them about how many people are successfully achieving the target and how long it took them to do so. And therein lies a problem.

I have encountered a significant number of sales forces where over 70% of the individuals in those sales forces are not achieving target. In these circumstances it makes it even more critical that targets are not included in the rules, yet my experience shows that they most usually are. The rationale is that because somebody is achieving and even exceeding target then anybody can. There are two things about this:

- You need to be sure that it's possible for all of your sales team to achieve target, given the variables of market size; population distribution; and competition, and
- You need to know in some detail what it is that those top performers are doing and how long it took them to achieve target.

From the latter information you formulate the rules of the game and invoke basic training to replicate what it is they do. At recruitment stage you would explain how top performers are achieving target, and therefore what you will be teaching the new starter and what is expected of them in terms of following the rules of the game.

Activity targets

Given the choice between buying activity management systems and implementing a performance coaching system to bring out the best in salespeople, my unfortunate experience is that many senior management teams will inevitably choose activity management. The reason? It's easy. OK, so you have to push people around a little; you might have to dismiss a few non-achievers; there will tears before bedtime; but it's a relatively easy thing to implement and to control. Yet my firm conviction is that it is easy because it doesn't work. It works in the short term – granted, and there's even a place for it during field induction and as a mechanism for performers to appraise themselves, but as a coaching tool it is a non-starter.

I believe that you teach salespeople about activity, not tell them about it. If you teach people, by example, that activity is important – that's quite different from demanding levels of activity. The danger with the latter is that you will have your salespeople deliver the activity without a corresponding increase in business. I have numerous examples of salespeople forging activity levels simply to keep the manager happy. In the meantime, the manager sinks into a quicksand of statistics trying to work out where it is going wrong.

I recently visited an area sales manager who was having problems with a non-performing salesman:

When I entered his (the manager's) office there was a mountain of paper on his desk. He proceeded to tell me about Jack Newton who was under performing and had been doing so for some while. He told me that he had insisted that Jack increase his customer interviews from 8 per week to twenty per week. The manager showed me the charts he had put together showing the pattern of calls and results. When he opened it up, it filled the surface of the desk in front of me. It was very impressive. It must have taken him quite some time to put together. Jack was now calling on an average of 21 customers per week. His results had not increased. I arranged to meet

Jack, with his manager present and I asked him to bring his diary with him. When we met I opened Jack's diary and I pointed to the first name entered on Monday morning. I said – 'Jack. If I ring this person up, will he know who you are?' Jack looked in pain. 'Yes of course', he said. I said – 'Jack if I ring all of these people up, will they all confirm they know you?' Jack paused – 'Yes'. I said – 'Jack. I'm going to ask you one more time, just to save me the trouble of telephoning all of these people, which is what I intend to do, how many of the names in this week of your diary will confirm that they have met you?' Jack paused longer than he had before – 'most of them' he said. 'But not all of them' I said. 'No', he replied. Out of the corner of my eye the manager was sinking into the furnishing of his chair. 'Jack', I said slowly, 'this is now really the last time I'm going to ask you, when I ring these people up, how many will confirm that you have been to see them; that you attempted to sell them your service; that they were not a personal friend?'

Over a couple of months Jack had falsified 80% of his activity. It wasn't his fault. He was responsible, but it wasn't his entire fault. The manager had forced him to achieve an arbitrary activity target. The manager had abdicated his personal responsibility of spending a few days with Jack showing him that activity mattered but that it isn't the only thing that matters. See more people is too easy a remedy.

There's a distinction between what your role has to be a) with new starters, and b) with experienced salespeople – whether they are overachieving or not. The principle is that you train and manage people up to the line, and you coach people after the line. Up to the line is where you set your benchmark – the basic minimum requirement; above the line is where you seek to help people excel at the job. You cannot help people to excel at the job until they reach the line. Below the line are your minimum expectations. The elements which are below the line could include the requirement to learn a sales structure. It could include knowledge levels. It could include procedures. Below the line is where you apply the rules. There is no negotiation below the line. You make it clear what is expected and you implement it. These are the rules which are spelt out at recruitment. You make it clear what will happen when someone starts in your team. You do this before they join the company – not after. All too often I've met salespeople on an induction training course where their idea of what the job entailed and reality were miles apart. You make it absolutely clear what you expect them to do, and how you expect them to do it.

You may produce figures which show that from a particular level of activity that a particular financial outcome is being achieved within the sales force. You may produce figures to show that the relationship between activity and income leads you to believe that the more people that you see, the higher the potential results. You may choose to ignore the fact that top salespeople see fewer customers than their lower performing colleagues. But you need to ask yourself the question – what is it you want from the salesperson? Activity or results? Forget the relationship between activity and performance – what is it you want – activity or results? If it's results then apply the rationale I have laid out in detail above. If it's activity, then perhaps you have lost the plot. The most important thing to you as a sales manager and a sales coach is results and your job as a coach and a trainer is to improve on performance. Anybody can increase activity. Activity is but a measure of performance. If performance is low one of the elements of increasing it can be increased activity. It is the easiest way in which to increase performance. It involves playing the numbers game.

That's not to say that you can't influence activity – but it's not coaching, it's training.

Part of the central training programme could and should contain basic training on the activities that go towards making up the prospecting part of the sales job. It is right to expect that people work hard in return for what you pay them, but that's a philosophy that new people will learn from what they see about them. The greatest influence on that will be you, and the rest of the sales team. The greatest influence on the rest of your sales team is you.

You influence people about activity by making sure that you reinforce the central training by meeting the new starter immediately after the training programme. Your job is to check that they have accepted the philosophy of the company (which could include work ethic); that they have acquired whatever level of knowledge was expected (so you test it); and that you check that they have acquired the expected skill level, which means that you test it in role-play. These are three important tests before you allow the salesperson in front of a customer. As a precursor to this you have to be 100% confident that the central training process works and that the format of the central training programme delivers to you exactly what was agreed, otherwise, when someone starts with you in the field and they either don't accept the company's philosophy about work ethics; or haven't acquired the level of knowledge and skill you expected. Then you will not be able to decide whether it's the new starter's fault or the central training department's fault. I suggest you sort of all this out long before you start employing salespeople. You and the training department must have complete faith in other's ability to deliver exactly what has been specified. The last part of this phase is that you must accompany the new salesperson on a live customer call. It is the only way in which to ensure the transfer of theory from the recruitment stage and the training of basic training on the central programme to where it really counts and that's in front of the customer. There isn't a professional coach alive that doesn't sit on the touchline; stand in the wings; sit in the auditorium; watch the actual performance as part of their coaching responsibilities. There's nothing you can do about the performance, except learn.

So part of the purpose and parameters of a coaching session with a new starter should be to check that the new starter has arrived in the field with the knowledge, skills and attitudes you expected. You cannot coach new starters until you satisfy yourself that all of the elements contained in basic training have been mastered. If you do try and move ahead in one area, but leave another basic element incomplete, you will find that the foundation stones of performance are not strong enough to support the effort needed by both you and the performer to improve. Be careful about coaching an improvement in one area whilst gaps appear in the basics.

My recommendation is that you should accompany the new starter in the field for five days after the central training event. You will come up with all sorts of excuses why this can't happen and these excuses will compromise the successful outcome of both training and coaching. All too often I see examples of sales managers having high hopes of new starters only to be dismissing them a few months down the road. What is it that happens to all the positive expectations sales managers have of new recruits? The highest level of labour turnover in sales forces happens in the first six months of a new salesperson starting. In many cases I have observed managers extending probationary periods because they were unsure about whether the new person would make it or not. *'I'm giving him or her one last chance to prove that they can make it'* – is an often heard comment. What about giving yourself one last opportunity to get it right? If you have made the right decision at recruitment then there should be no reason why every new starter cannot succeed at the job. Think about it. It's probably not a complicated job to do. You will have done it. Others are

doing it. So what is it that happens to so many new starters? The reason is you. Unless you meet people on day one in the field; unless you test that they have acquired the levels of knowledge, skills, and attitudes required; unless you accompany them immediately on a real sales call; unless you stay with them for their first five days in the field; you'll have to rely on luck as to whether new starters make it or not.

It's during these first five days in the field that you teach new starters the activity game. Ideally you will have already arranged a number of sales appointments to go on in the first week. Otherwise how will you observe a live call? It's no good leaving the new starter to fend for themselves. No matter how confident they are or are supposed to be, remember what it's like starting in a new company. It can be demoralising to realise that the big talk on the central training course was simply that – big talk, no action. How many training courses have you been on where the only thing you are asked when you get back to work is – *'how did it go then?'* To be followed quite quickly by – *'Oh well – back to work then'* – with the underlining message that whatever happened on the course is not the same as real life – and the tragedy is that it's probably a correct assumption. What happens on central training courses has to reflect down to the last detail what happens in the field. There can be no compromise – no negotiation. There is no negotiation on activity up to the line. After salespeople have reached the line, then they can negotiate about activity. But don't be confused between work activities and call activity. What you want are people to have the work ethic. You want them to work hard. You want them to perform. You know that you cannot perform without hard work. Sure, there are a very small percentage of people who seem to be able to perform without a lot of hard work, but they represent less than one percent of the sales population, and the chances are it's more perception than reality. Paul Gascoigne would appear to many to have been a classic example of someone loaded with talent who wasted it by not applying himself and acting the fool. Whether the latter is true or not, the former certainly misses the mark by a while. Delve into his childhood and you would see someone who was obsessive about football, practising every hour of the day. Delve into his professional career and you would see someone who was on the practice pitch long before his colleagues and remained there long after. David Beckham would be the same. A dedicated professional who would practice all day every day to improve his skill. The only time Ferguson and he would come into conflict is when Beckham, drawn to distractions of the media spotlight, marriage, and fatherhood, relaxed his fitness regime. That's when you as the professional sales coach intervene. That's when you return to basics and renew the contract you have between the performer and yourself. That's when you re-establish the connection between hard work and end result.

The level of activity you want for a new starter, begins with what you show them in the first five days of field induction. The central training programme is the foundation, induction happens in the field. If you believe that salespeople should be making 10 calls a week, then arrange ten appointments for the first week. Either you do it, or integrate it as part of the central training programme. If they are learning to make telephone calls on the central training programme, you could get some reality into it by having them make live calls and appointments for the week they with you in the field.

In the first five days you will learn more about the new starter and they will learn more about you and your company than any other mechanism I know. You must know within those first five days whether the new starter will make it or not. If after

five days you still don't know, then chances are they won't make it. You should then let them go. However, you should also conduct a full review of why it happened this way. There's no guarantee that every new starter will succeed, but you substantially reduce the risk by operating the system I have just described. If someone doesn't work out during this period you must analyse what went wrong and patch up any gaps or failings in the system. Recruitment, training, and field induction is too expensive an activity for you and the company not to take it seriously. I know of many companies where a proper professional approach to the recruitment, selection, foundation training, and field induction of the type I propose here would add five to ten percent profit to the bottom line.

Whilst you are operating below the line, the way in which you deal with low results, accompanied by low activity, is not to instigate minimum activity levels – I've already covered the dangers of this. That's not to say you ignore it – but to move from a training role to a coaching role you have to get the salesperson to accept personal responsibility for their activity and for their results. Have the new starter collect and collate their activities for a specific period. Have them agree that whatever that level and quality of activity is that it has an outcome – i.e. it produces a certain level and quality of results. If that level and quality of results is below your benchmark or minimum standard then you move onto getting the new starter to face the question – *'what if we need this level of and quality of results?'* The question you are handing them responsibility for taking on board themselves is – *'you are doing something which is producing a set of results, which is below what we agreed at the start of your career with us. At the time we agreed that this is what you would do and achieve; that this is what is expected of you; that this is how we play the game in this company; and that this is the level and quality of support that you can expect from me. What we have is a shortfall. It is now your responsibility to alter the outcome by altering the input,*

In this way, the new starter has a choice, either they improve the quality of their business, or they increase the amount of activity that gets them appointments. In reality, if you have any sense at all, it's the first option you want, but you will accept the second option. The choice however, has to be theirs. You may well refer to the first week in the field. You may cite the level of work you were both involved in during that week, but never fall into the trap of you accepting responsibility for coming up with the answers to low performance, otherwise you will teach the new starter that the responsibility for success and failure lies with you, not them. If you insist on call activity levels then don't be surprised if they come back to you and say – *'I'm now doing more calls but not more business – what do you suggest now?'* It's this sort of mistake that causes most sales managers the stress levels I see as normal in the profession. I can't say that professional coaches don't suffer from stress, but it's different to the stress suffered by many sales managers.

Now for the €1m question? What would you do, if you had set call activity levels of ten calls a week, and someone overachieves by consistently delivering only six calls a week? When I've proposed this question to groups of sales managers before they split 50%, 40%, and 10%. Fifty percent say they'd leave the over-performer alone, and not discuss the shortfall on activity. In fact, they admit that they spend as little time as possible with the over-performer for fear of upsetting them. In doing so they miss out on all of the untapped potential that top performers have who operate without a coach. Forty percent usually can't make their minds up, relying on whoever spoke last to agree with. Ten percent get aggressive about the lack of activity; complain, strut and posture, but do little other than make sarcastic remarks to the

performer; ensuring that they move on to another company at some stage.

The answer? It comes back to what you taught them in the first five days of their field induction. If you taught them the work ethic, then you can still work on helping them to deliver a full day's work for a full day's pay. You don't put it like that, but you show them, and you live the philosophy of – nobody's so good they can't get better'. All top performers in all other professions have the desire to a) want to improve, and b) have the coach work with them. It's only in sales that top performers resist the involvement of the sales manager.

When Steve Redgrave, surely the greatest Olympian of modern times, made his acceptance speech for BBC sports personality of the Year 2000, he mentioned four people. Three of them were coaches; the last was his colleague Matthew Pinsent. These were the people who he believes were major contributory factors to his success. The only problem you have is that I know of no sales force that has a raft of coaches working with performers at certain stages in their careers. Redgrave changed coaches as he got better. Each coach worked at a particular level of performance. Each knew the limitations of their coaching ability to get the best out of Redgrave, and he knew it also. They weren't in competition with each other; they worked together to release the potential that Redgrave had. And that's an important point to remember – don't foster competition internally. Redgrave wasn't in competition with others in the boats he rowed in – he was in competition with other boats. Internal competition is destructive. Have your salespeople compete with the competition, not with each other. You want them to help each other, not try to get one over each other.

Ideally your company should have different coaches for different levels of performance, but it takes a level of cooperation not normally seen in most sales forces. Where I have seen different coaches working at different levels in the company, they have usually been coaches from different external training organisations, each with their own agenda, and each not talking to each other – crazy!

The emphasis is to move the performer slightly forward. It doesn't have to be by much, but one of the major rules of your coaching regime should be – we are here to improve, not to stand still. Whatever we do, we get better. The aim is to get the performer to accept personal responsibility for improving, whether they are on target or not. In fact the target becomes irrelevant. You cannot improve someone's performance whilst concentrating on the target. The only way to improve performance is to concentrate on making a step forward – by improving how they do something.

Lastly, it's important to give the performer emotional strength through your support and your expectation of success. You need to transfer your positive expectations about the potential of the performer to them – I know that you can perform higher. I know that you can be even more successful. But be careful about expectations that are too high too quick. One step at a time is enough.