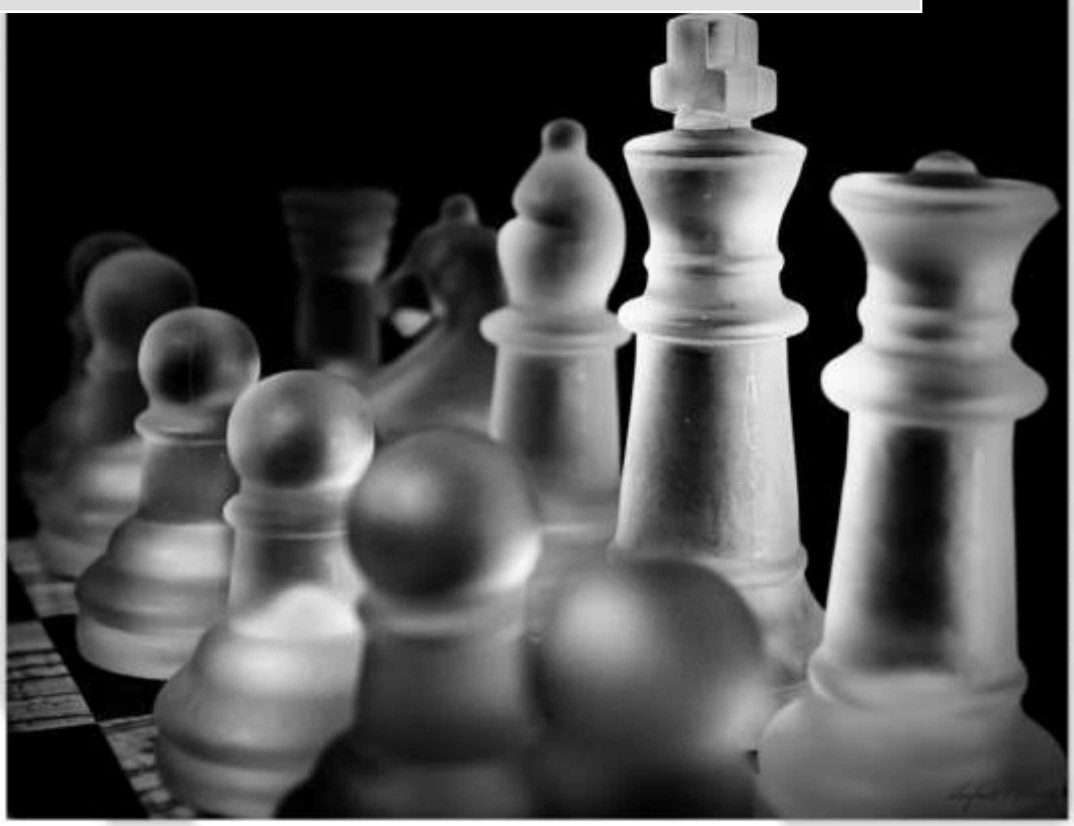
2010

Sales Management for Regional Managers



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Fred Mady initiated many of the thoughts that formed the basis for this piece. He is an incredible sales professional and the inspirational leader of sales organizations in the Southwest. You can find Fred at fmady@wesellortho.com

Over the years **Yon Demmink** has generously shared his expertise on managing sales associates. His sales success belies the importance of this information. Jon continues to run an independent sales group in Oregon. You can find Jon at yon185@msn.com

Marsh Moore has a conundrum. He is one of the best sales managers in the business. But he would probably make more money selling. Many of the ideas in this document came from long hours talking sales, sales management and how to grow the businesses we worked on together. He is the consummate pro. You can find Marsh at mmoore@bledsoebrace.com

Please feel free to post this on your blog…
or email it to whomever might benefit from it.

For other ideas on sales, sales management and strategic marketing, visit our forum and library at www.RyanHixenbaugh.com

Introduction

Sales Management for Regional Managers contains quick reference material and professional handouts that can be used to help you in the field. This book will remind you of the key elements of sales management.

There are three sections to the material in this book.
The first section is an overview of the metrics you should be using to manage the region.
It outlines your responsibilities as a regional manager.
It also outlines the independent rep group's responsibilities to you.

The second section includes a series of quick reference or handout materials.
These guides are based on the most frequent concerns and shortcomings of professionals in the field.
The guides will help remind you of the types of disciplines you should be mentoring during co-travel.
You'll find that your sales reps also appreciate the handout to help them learn to sell more successfully.
We suggest that you make several copies of the handouts so that you have them to readily give away during your travels and debriefs.

The third section is a private section for the Regional Manger.
It is a guide to determining whether or not you should be changing representation in the market.
You already have a gut feeling for this. These questionnaires may help you think and document what you already know as well as prepare your next move.

Some of these forms are available in Customer Relations Management software programs.
Obviously it is easier to maintain the programs than keep a written record. However, many field reps are not tied into a CRM software. Others prefer to carry the information with them to make notes in the field. Our preference is the software. If you don't have it, these written forms have worked well for years.

Key Sales Management Metrics

Things that get measured get done.
Things that get measured and reported get done better and faster.

1) **Sufficient National Sales Representation**
    a. Evaluate National Sales Penetration
        i. Current Coverage _______
    b. Fill open territories.
    c. Evaluate each state
        i. Additional Coverage Required by State

2) **Top 50 MSA Coverage**
    a. Determine Uncovered Markets

3) **Key Account Coverage (80/20)** (Customer Ranking by Annual Sales)
    a. Review Customer Ranking by Annual Sales
        i. Identify Pareto Principle Accounts
        ii. Place on Territory Maps
        iii. Check Proximity of Rep
    b. Identify Key Account Current Product Use
    c. Develop Key Account Leverage Product Plan

4) **Target Account Plan**
    a. Have each rep identify 3 specific target accounts per 90-day window

Regional Manager Responsibilities

Objective: For Regional Managers to be effective as a team, develop clear responsibilities that ensure consistent sales management across the organization.

This should include expectations, reporting and support tools that enable Regional Managers quick access to information allowing consistent sales management.

Regional Manager Expectations

Manage Each Territory

1) Require a base territory profile from each Distributor
   a) Define Territories by Zip Code
   b) Know the Top MSAs
   c) Know Rep Dispersal (locations)
   d) Know Top 20% accounts (80/20 Rule - probably 5 per territory)
      i) Location
      ii) Product Mix

2) Determine & agree on Requirements
   a) Who needs additional reps
   b) Where and When?
      i) MSA
      ii) Undeveloped area
      iii) Key Account
   c) Finance expansion of reps into undeveloped territories

3) Teach Reps to Forecast Sales and maintain a pipeline report

4) Support each Distributor with Skill Development

Manage Each Territory Sales Plan

1) Growth & Leverage Plan for Pareto (80/20) accounts
   a) Require specific Target Accounts
   b) Require Distributor Forecast, by rep

2) Identify territorial growth areas

3) Use 90-Day plan to measure rep productivity

4) Be prepared to implement a Down Market Plan should sales slip

Support Sales Reps

1) Personal Income Plan (download "The Commissions Work Plan")
2) Defining the value of the territory
3) Emphasizing the value of Key Customers
4) Developing a territory plan
   a) Key Accounts
   b) Target Accounts
      i) Profile
   c) Lost Accounts
5) Developing Accounts
   a) 2^{nd} & 3^{rd} Tiers Customers
   b) The Value of Density: Less Travel, More Service
   c) How to Forecast
6) Setting Priorities
   a) 90-Day Plan
   b) 30-Day Plan
   c) Organizational Plan
7) Call Plan
   a) In Front of the Customer
   b) The Receptionist
   c) Who To Sell
   d) Creating Customer Relationships
   e) After Call Review
   f) In-Service Plan
   g) Self Evaluation

Co-Travel Expectations

1) Roll of Regional Manager in Co-Travel
2) Priorities
   a) Top 5 Accounts
   b) 90-Day Target Accounts
   c) Problem Accounts & Lost Accounts
   d) Open new doors (prospecting)
3) Co-Travel Mentoring Points
   a) Review 90-Day Plan
   b) Target Prospect Planner
   c) Forecasting Plan
   d) Discuss 30-Day tactical plan
   e) Cover Pre-Call Planning
   f) Review In Front of the Customer
      i) Receptionist – Support Staff – Physician
   g) After Call Review
   h) Organization Checklist
   i) Performance Killers
4) Debrief Feedback

Distributor Responsibilities

The Regional Managers should have consistent expectations for Distributors.
These expectations can be clearly stated at the beginning of the relationship,
guide the Distributors Business Plan prior to being hired and
form the basis for management and evaluation of the group throughout the relationship,
regardless of the Regional Manager handling the area.

Expectations of the Distributor

1) Develop and maintain personal relationships with prospects throughout assigned geography
2) Assign specific territories to sales associates for accountability
    a. By Zip Code
    b. With Clear Geographic Boundaries
3) Provide sales coverage of total assigned territory
4) Provide sufficient coverage of Top 50 MSAs located in territory
5) Train and Mentor New Reps:
    a. Product & Sales Training
    b. Co-travel to introduce new rep
6) Provide Sufficient Income for sales force
    a. No Sub-Rep situations

Distributor Business Plan

1) Define Territory Potential
    a. # of prospects by call pattern
2) Territory Coverage
    a. Reps & Locations
    b. MSAs & Coverage
    c. Expansion plans
        i. Additional reps needed for coverage
        i. Key Accounts
        ii. Forecast for Key Accounts
        iii. Target Account Plan
    b. # Active Accounts
    c. Competitive Overview
        i. Competitor Reps & Evaluation

Distributor Report to Regional Manager

1) Territory Penetration (coverage) Progress
2) 90-Day Plans by Rep
3) Key Account Plan
4) Forecast

Setting Priorities

Know your priorities.
They'll help you plan your day and evaluate your productivity.

#1. Spend face time with customers and decision makers every day.

#2. Spend time with the staff of customers and prospects….every day.

#3. Spend time planning how to get face time.

#4. Follow up on commitments promptly. Do what you said you would do.

#5. Develop business reasons to spend time with Key Accounts and Target Accounts.

#7. Find a way to go to the extreme in behalf of your customers.

Prove your worth. Establish your personal standards of service.

#8. Get 'caught' going to the extreme.

Key Account Growth Plan

Customer ____

Location ____

Rep ____

Prior Year Sales ____________________ Target Growth $ ________________ ________________%

Product Used	Last Year’s Volume	This Year’s Goal

Sales Plan:

Products to Leverage ____

Products to Introduce ____
____
____
____

Competitive Opportunities ____
____
____
____

Account Expansion Plans (locations, additions, acquisitions etc) _________________________________
____
____
____

Prospect Profile Record

Office ______________________ Phone _________________

Address ______________________ Fax _________________

______________________ Web Address _________________

Decision Maker ______________________ Phone _________________

Email ____________________ Cell _________________

Other Customers at local ______________________ _________________

______________________ _________________

Contacts

Receptionist _______________________ Email _________________

Assistant _______________________ Email _________________

Champion _______________________ _______________________

Other _______________________ _______________________

_______________________ _______________________

Other Offices _______________________ _______________________

_______________________ _______________________

_______________________ _______________________

Notes

Last Call ____

____

____

Spouse's Name ________________________

Children's Names & Ages ______________________

____

____

____

Activities & Hobbies ______________________

____

Birthday ______________________

Key Staff Birthdays ______________________

____

____

Office Notes & Observations ____

____

____

Objectives / Products Discussed / Objections / Commitments / Follow-Up / Dates

____

____

____

____

____

____

____

____

Key Products Plan

Product Weighting

Objective: Determine Product Priority based on

- Profit
- Dollar Volume
- Annuity Volume

#1: Report   Product Ranking by Gross Margin (unburdened)
Rank by per unity profit

#2: Report   Product Ranking by annual unit volume

#3: Report   Sales Contribution by Category
Contribution to Gross Margin by Category

Discussion: Identify popular 'Door Opener' Products

Identify Competitive Gaps in Service

Identify planned New Product Launches

For Consideration:

- Adjust commissions to stimulate focus on more profitable products.
- Encourage new reps to develop a base of annuity products
- Identify 'lead' products for Target Account Plans
- Identify new product development opportunities
- Strategically schedule new product launches

Pre-Call Sales Planner

Pre-Call Planning is the discipline that ensures a sales associate is prepared to successfully use their time in front of the customer or prospect. This exercise will help you visualize and anticipate the opportunity.

An effective Pre-Call plan gives you a specific goal to accomplish on the call.
It means knowing who you will see and what you want them to learn.
It is also a way to make sure you have the appropriate materials on hand.

What is the goal of the call?
(EG: Convert from a competitor's specific product to a specific product of yours)

Who will you see?
(EG: Specific people in the decision chain)

Who else might you see?
(EG: Who will actually use the product and how?)

What is the specific business reason for being in the clinic?
(EG: Is the prospect dissatisfied with the competitor's performance or service? Are you aware of advantages you deliver over the other product? Why should they be offering you this time?)

What do you want to sell?
(EG: Have a specific product and reason in mind based on having done your homework. Don't waste this time with a fishing expedition.)

Why this product?
(EG: What is the specific vulnerability of the competitive product and how will you outperform it?)

What needs to be done after the sale to help with the transition to your company and product?
What can you do to facilitate it? (EG: Product training, return old inventory, etc)

In Front of the Customer

You've waited a long time to get in front of a prospect.
Are you ready to be there? Have you fully prepared?

Know what they are buying. Take the time to review that product.

Know what you want them to buy. Have a reason.

Know about any problems. Talk to staff prior to your visit.

Clear up the problems before you're in front of the prospect.

Invest a percentage of every meeting enriching your personal relationship.

Have a business reason for being in front of the decision maker.

Ask a lot of questions. (After you've asked the question, stop talking)

Know how your product fits the client needs before you present it.

Do not oversell. Fit the product to the customer and their customer.

Do not trust the product to generate interest itself. You'll need to 'create' interest.

Never pretend or lie.

Always ask for the business.

Look for something to do next. Create a reason for a follow-up visit.

Make a follow-up appointment. Identify the 'next steps.'

Providing Personal Value

Ten Ways to Add Value to your prospect's business

1. Learn their business and what makes it successful. Find ways to contribute.
2. Provide materials to enhance their customer's experience.
3. Help build their business through awareness and endorsements.
4. Be respectful of their staff. Support their work and their day.
5. Look for creative ways to add revenue to their business.
6. Take responsibility for staff training on product attributes.

   Train everyone who touches the product.
7. Provide your prospect with 24 hour cell phone access. Be there for emergencies.
8. Provide your own, personal "Service Guarantee" in addition to the company's

   product warranty.
9. Provide support for competitor's products to help your buyer/customer.
10. Volunteer to help.
11. Care.

What else can you do?

After the Call

You've just completed your sales presentation.
Before you start thinking about the next appointment, take a few moments to debrief the sales call.
A debriefing helps you better understand what you did right, what you can improve and what you should do next. Focus on the debrief. It is a tool to help you identify and establish your own standards. It will also become your follow-up plan.

Did you see who you planned to see?
Why or why not? Can this be improved through planning?

Were you able to see other important folks during the same visit?
How?

Did you do what you intended to do?
Did something get in your way? Could it have been avoided with preparation?

Did you enhance the relationship due to this meeting?
Capture whatever information you learned on your Profile Sheet.

Did you uncover any problems you can solve?
Explain and capture. Did you schedule follow-up?

Did you resolve any issues satisfactorily?
Make notes. Does the customer know you resolved them?

What did you say that was effective?
Where else might it be used?

What could have been handled better, and how?
Is there someplace else this idea should be used?

Based on this meeting, what should you do now?
Should anyone else be made aware of the meeting's result?

Did you achieve your goal? If not, what are the next steps?

Did you ask for the business? How did the prospect respond? Can you follow-up?

Remember the paperwork: Document. Follow-up. Thank.

Performance Killers

1. Not Having a Plan

Too many reps wake up each morning unsure of what they will accomplish that day.

They are in a hurry to get on the road, but leave without a clear plan for success.

Planning is not only your guide to success, but it is your yardstick to measure productivity.

Without a plan, you don’t know where you are in achieving your month’s objective.

Elements of a Plan

- Identify your Key Accounts
    - Develop a growth plan for each of these customers
- Target Prospects
    - Identify a specific target account. Decide what you want to sell them, and why.
    - Learn everything you can, over several calls, to understand how you fit in.
    - Take the time to build relationships with the decision maker and staff.
    - Invest the time.
    - Focus. Focus. Focus.
    - Don’t sell everybody. Sell somebody. Make a plan.

2. Lack of Priorities

Not having priorities means you don’t know where to invest your time to earn the greatest return. Without priorities, you have no framework to make decisions.

This leads to procrastination. It affects your productivity.

Limit your options. Determine the most lucrative thing you can do with your day.

Create priorities that help you determine how to spend your day.

3. Lack of Information readily available.

We've all seen sales professionals dig through their briefcases; their cars; their desk trying to find a piece of information that will help them close a sale. It not only gets in the way of a presentation, it wastes time and diminishes your professionalism.

Where could you be better organized to improve your productivity?

Your desk?	Your paperwork?	Your filing?
Your Call & Travel Planning	Your car?	Your briefcase?

Set your organizational priorities and invest the time to improve it.

What information, if readily available, could help you be more focused and effective?

- Your Key Account Growth & Leverage Plan
- Your Target Account Forecast
- Your Pre-Call Planner
- The most recent Customer Ranking Report
- Your monthly Product Mix Report
- 90-Day Planner
- Sales Support Collateral

Organize your plans and reports so the information is readily available to guide your plans and decisions.

The Result of Performance Killers

Not having a plan, means you can't identify your priorities.
No priorities mean you can't make decisions based on your goals.
An inability to make focused decisions leads to procrastination.
Procrastination eventually results in over-commitment.
Over-commitment leads to crisis management.

Too many sales professionals end up working in crisis management mode. They claim they function better under pressure. That they get more done when they have more to do. Unfortunately, it isn't really their preference. It is simply the result of not having an organized plan, readily available for reference.

Be careful of these Performance Killers.

- Not Having a Plan
- Not Setting Priorities
- Disorganization and a lack of information readily available
- Procrastination
- Over-commitment
- Crisis Management

Distributor Evaluation

Territory____________________

Do I have an effective Distributor in the territory? Yes No

1) Statistics
   - LY Growth Percent ___________
   - LY Growth Dollars ___________
   - YTD Percent to Plan ___________
   - YTD Comparable Growth _________

2) Are the MSAs covered? Yes No
   - How many MSAs are in the territory? ___________
   - How many are covered? ___________
   - How many are not covered? ___________
   - Is there an expansion plan/date to cover them? ___________

3) Is the principal selling, or managing the territory? Selling Managing
   - Do they have proven customer relationships? ___________
   - Are they local or throughout the territory ___________

4) Are the reps in the territory capable and professional? Yes No
   - Number of Reps __________
   - By Rep
     - Sales Experience ___________
     - Industry Experience ___________
     - College Degree or CE Credits ___________
     - Appearance ___________

5) Are the sales reps in the territory being mentored? Yes No
   - Have they been introduced to customers? ___________
   - Has the principal or a trainer traveled with them? ________
   - Are they emphasizing the right product mix? ________
   - Does the principal invest dollars in his people? __________
   - What trade conferences have the reps attended?

     ____

6) How does this territory rank in the region? __________ In the company? ____________
   - What Key Account relationships do they control?_____________________________

     _________________________________ ___________________________________

     _________________________________ ___________________________________

     _________________________________ ___________________________________

7. Are they investing in the territory? How?

Adding Reps
Trade Shows & Conferences Attendance
Entertaining
Rep Training & Mentoring
Technology

What percentage of their overall business is your company? ___________________
What percentage of their time does your company receive? ___________________

8) Who else in the territory would be interested in carrying the line? ____________

Should they be on probation? ______
Is a replacement plan required? ______

Distributor Replacement Considerations

1) Alternative Distributor Options
   Identify at least two organizations that would consider the line.
   ____
   ____
   ____

2) Do they currently represent sales volume that could transfer to your business?

3) What business volume do they control?

4) Do they have relationships with your prospects?

5) What lines do they represent?
   Which ones enhance your products?

   Do any detract from your product?

6) Do these Distributorships have coverage of the territory MSAs?

7) How many reps do they employ? Where are they located?

8) Are they active in the industry?

9) Are they an improvement over current distribution?
   Rep Coverage ___________
   Co-Travel & Mentoring ___________
   Physician Relationships ___________
   Conflicts with other lines ___________
   Time Commitment Conflicts ___________

About the Author

D. Ryan Hixenbaugh is a strategic planner involved in Sales, Sales Management and Marketing.

He is a Principal with the Strategic Marketing firm Stratcom that provides hands-on marketing services on an outsource basis.

Through Stratcom, Hixenbaugh has worked extensively in a number of industries including Healthcare, Apparel, Technology, Communications, Airline and Aerospace and Marine Transportation. The company has also supported a large number of non-profit organizations.

He has built and managed several national sales organizations, been involved in all kinds of strange configurations and advised numerous companies on sales strategies and marketing support.

His consumer experience is based on years in the Advertising business with various agencies, including May/Partners, with offices in Seattle and Portland, which he owned and ran.

To book Ryan to run Sales Training, speak at your next event or support your marketing efforts, please contact him at Ryan@RyanHixenbaugh.com