



Streamline Your Sales Force

By Matt Alderton

A muddled team and a fractured organizational chart are surefire triggers for your next sales slump. Avoid both with job role clarity.

Growth is good. At least, that's what your gut tells you. After all, more size means more capacity, more customers and, hopefully, more profits.

Often, however, more size also means more complexity and more chaos, not to mention more improvisation within business units, and less integration between them. In that case, growth can sometimes prove to be more bad than good.

Just ask Beth Carroll, principal of The Cygnal Group, a Chapel Hill, North Carolina-based consultancy that specializes in sales compensation plan design and administration. In more than a decade of consulting with sales organizations, she's seen growth solve problems, as well as create them.

"What happens often is that a company's gotten too big too fast," she says. "So now they're fragmented and they've got specialists for every single different product line that they have. For any given customer, they could have ten different sales reps and no single point of contact. That can be very confusing for the customer and can be very detrimental to the business."

Of course, if you're not too big, you could just as easily be too small. "If the company is small, it may not have enough scale," Carroll continues. "So it has people wearing multiple hats. But you don't want to have one person trying to do everything, though, because then they'll end up doing just what are the easiest, and not necessarily the best, things."

No matter your size, the solution to your problem is the same: If you want to experience growth that's good, you have to streamline your organization's sales roles.

DEFINING ROLE CLARITY

Streamlining sales roles means spelling out who, exactly, does what, as well as how they're paid for doing it. It's all about standardizing job titles, descriptions, and compensation plans in pursuit of a more productive sales force and a more profitable sales organization.

"When sales reps know what their job is," Carroll says, "they'll be more effective, not only for themselves and their division, but also for the company as a whole."

Steve Grossman, principal and leader of Mercer's Chicago, Illinois-based Sales Effectiveness Consulting group, agrees. "Clarity for the street-level salesperson's role is critical to working efficiently and effectively," he says, explaining that role clarity helps sales managers put the right people in the right positions with the right compensation models.

In order to perform, sales reps must understand exactly what game they're playing, echoes Mike Scher, president of Alpharetta, Georgia-based FRONTLINE Selling, which specializes in sales pipeline development. What's more, they've got to know the rules they're following and the position they're filling, as well as the prize that they're playing for. If they don't, their performance will suffer, and so will their company's.

"Role clarity helps get everyone rowing in the same direction," Scher says. "If everyone knows what they are supposed to do, then it is a matter of execution. Like football: Linemen block, running backs run, and wide receivers catch."

THE COST OF CONFUSION

Even within organizations that offer individual incentives, sales is a team sport. When sales reps are

confused, it affects the entire organization.

“There can be a lot of cannibalism if you don’t organize your sales force in a thoughtful and systematic way,” Carroll says. “Too often, organizations allow each of their different selling departments to develop their own roles and their own compensation plans. In that case, they’re all out for themselves and will do whatever they need to do within their own division without thinking about what’s best for the overall company.”

Role confusion hurts more than revenues, however. It also hurts morale, causing organizations to lose valuable sales as well as valuable employees. “Without role clarity, salespeople can become dissatisfied with their position and will show a lack of interest in the job,” Scher says. Often, a salesperson who performs without an adequate understanding of the parameters of their role can affect relationships with customers and eventually bottom line revenues, he adds.

For that reason, role clarity also should include career clarity, which helps companies recruit and retain better sales reps, Carroll says. That means giving employees not only day-to-day job responsibilities, but also long-term career goals that will move them through your organization when they might otherwise leave it.

“One of the biggest challenges that I see with companies is that their sales force has no viable career path,” Carroll says. “They need to define their roles to say, ‘Okay, we want somebody to start at this level and move into this kind of a role later on.’ That kind of systematic and thoughtful approach will help them think about all of their selling roles as a unit and thinking about the framework they need to hold all of them together.”

TAKING INVENTORY

In order to build a framework of clearly defined sales roles, organizations should take inventory of the roles they already have, as well as the roles they need to fill.

For most companies, it comes down to two basic jobs, according to Carroll: hunters, who find new customers; and farmers, who grow relationships with existing ones. “When organizations segregate those roles,” she says, “it’s much easier to execute sales strategies, and also design effective sales compensation plans.”

Your company can have as many selling roles as it needs. The key, according to Scher, is communicating from the top down what those roles are and how they fit within the larger organization. In order to achieve job role clarity, he recommends asking the following three fundamental questions, then answering them for your sales force:

1. What is the mission of the company?
2. How does each functional area contribute to that mission?
3. How do individual roles support that functional area?

To ensure even greater understanding, companies should develop mission-explicit job descriptions that outline more than is required by the typical HR job description. More than experience and education requirements, Carroll says, good job descriptions include:

- How much time will be spent contacting new customers, and how much will be spent with existing ones.
- The length of a typical sales cycle.
- What the salesperson’s products, targets, and territories are.
- How much net and gross revenue the salesperson should contribute to the company.
- What level of interaction the salesperson should have with other sales reps and other selling units.
- What the organization’s selling process is, from start to finish.

“Management should look at the individuals within their company and see whether they fit into these new descriptions,” Scher says. “If not, then the individuals should be trained to meet the roles.”

COMPENSATION CLARITY

The final step in streamlining your sales force is streamlining your compensation plans, as complex compensation models are more difficult to design and more expensive to administer.

“Companies think that every unique position needs to have its own incentive plan,” Carroll says. “What that

boils down to for many organizations is that they end up with Joe's plan and Fred's plan and Sally's plan because there's some slight nuance about the way that Joe, Fred, and Sally do their jobs. So you end up with as many unique incentive plans as you have people."

Having too many compensation plans can be just as harmful as having too many selling roles, Grossman insists.

"Compensation should be consistent for similar roles within the same sales organization," he says. "If not, there's a lot of noise in the organization and a lot of distraction because people are comparing and contrasting what their pay plan is all about and how it's fair or unfair. It's a time waster. If they're doing the same thing, they should be paid in the same manner."

Carroll agrees. "If you've got a hunter in one role in one division, and a hunter in the same role in another division, you shouldn't expect to see them being paid in a radically different way," she says. "Their plans should be fairly similar, at least in terms of pay mix."

In fact, pay mix should align with the job role because it will help attract and retain the right type of salesperson for that role. "As you move throughout a sales force," Carroll says, "you could end up going from a farmer role, where you have a significant base salary, to a hunter role that includes a very small base salary. It's going to be very hard to convince people to give up their base salary and move into that position. That's why well thought-out roles that include well thought-out compensation plans are critical."

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