

Success Breeds Complacency

Kyle Williams, a highly talented sales person, experienced the performance killing results of complacency. Kyle was a top performing sales person with a global services provider. In the first five months of his year he had achieved his annual sales quota. He was so far ahead of his peers that the next best rep was only 10% above his year to date quota. The compensation plan was ideally suited for Kyle at this point. His commission rate quadrupled to 16% of revenue, and he had the potential to earn a huge annual income. Did Kyle maintain focus and keep pushing at the same pace? Absolutely not. By hitting his targets and losing the competitive momentum to be "number one," he went into cruise-control for the rest of the year. In the end he came in second place, and lost the reward trip to the hard working rep that had been chasing him in second place the whole year.

Complacency is a business challenge that almost every sales force faces. It really bothers me when sales people rest on their laurels. They seem to think their past success will guarantee future performance, but that is never the case. Complacency is an intrinsic flaw that prevents people and organizations from pushing beyond the status quo to achieve exceptional successes.

The highs and lows of the annual sales funnel demonstrate the impact of complacency on a sales organization. Ironically a person's worst month or quarter often follows their best. Why? A person who has dramatically surpassed his perception of top level performance will take their foot off the gas to enjoy the ride. It is a natural human response to ease up when things are going great, and push that much harder when things begin to slip. We have a basic plane of comfort that we fall into, and complacency is the break that brings us back to center.

How could Kyle, a person with such obvious talent, get so complacent? His employer provided a well equipped sales organization: compensation accelerators, a prize for being the best sales person, rewards for surpassing quota by 25%, on-going recognition, product training, sales skills training, lead development and CRM tools. The problem for Kyle, and many people like him, was the package of motivators and sales support was still incomplete.

Many organizations fail to recognize that managing for results delivers the status quo. Sales managers can avoid complacency on their sales team by managing their sales people to behaviours and rewarding for results. Selling is activity driven marketing. Once Kyle reached his quota he had achieved his goal. His manager could not request more of him, because he had achieved what everyone else was still struggling for. Yet if Kyle was managed to activity levels, his manager could have helped Kyle maintain his pace and avoid the trap of complacency.

Managing for behaviours is easier said than done. It requires an organization to have absolute clarity in their sales process, with the measurements of the key activities that drive the organization's sales funnel. For example, a call-center tracks the number of calls a rep makes per hour and the amount of time the prospect is on the phone as direct measurements for the sales funnel. On the other hand, a software

firm may track the number of product presentations to executive buyers per month as a clear indicator of the health of their sales funnel.

A customer's buying patterns provide the key indicators to measure sales activities. Purchasing patterns should be divided into four primary phases: interest creation, pre-purchase, purchase and post-purchase. The interest creation phase is the top of the sales funnel; this is the universe of companies that can be targeted. Quite often interest creation is separated as a marketing function to develop corporate awareness and leads for the sales force. The pre-purchase phase is the traditional view of driving an opportunity through the sales funnel, and it is where the lion's share of management and sales activity is focused. The purchase phase is the step a customer takes to make their final decision: choose the solution, negotiate and complete the appropriate buying commitment. The post-purchase phase is the delivery and implementation of the solution. By defining the key activities that drive a customer through each phase, an organization can define the behaviours that are most relevant to managing sales performance.

For an activity management system to be truly effective, the funnel should be reviewed weekly with each sales person. This is a time consuming task for a busy sales manager, but it is critical to connect purpose and accountability to the sales reps' activities. When Kyle reached his annual quota he made the unconscious decision that he no longer needed to do the hard work of selling: cold calling, up-selling maintenance accounts and day-to-day grunt work. If his manager had worked with him every week on his funnel, and more importantly held him accountable to the lack of movement at the top of his funnel, Kyle could have avoided the complacency trap.

Activity management gets a bad wrap from both sales people and sales managers, because it gets abused. Rather than using it as a tool for motivation and performance, it is used as a tool of fear and micro-management. When tracking activities works against the sales people it will actually cause complacency. Sales people will fight the system when it is used as a way to whip them into shape. Rather it must be used, positioned and understood as a tool that is designed for the benefits of the sales people and that will deliver them results they can feel in their wallets.

Kyle learned a hard lesson by losing the top sales person of the year award, which was a first class trip to Hawaii. He failed himself and saw first hand how complacency devastated his sales performance. The key lesson Kyle took away, and has used as a motivator every year since, has been to focus on selling behaviours. Today Kyle keeps complacency at bay with each of his reps by focusing their attention on the activities that drive the funnel. Every week he works with each of his reps to focus them on their opportunities and teach them how the funnel is a motivator and a tool for driving performance.

Jeremy Miller (Jeremy.Miller@LEAPJob.com) is a Partner with LEAPJob (www.LEAPJob.com). LEAPJob is a sales recruiting and sales force consulting firm that helps companies achieve their growth targets by building top performing sales organizations. You can reach Jeremy at 905.281.3090, Ext. 22

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