

Stu's View

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Managing Your Sales Force

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Do you manage your sales force with the same vigor as you do production? Are you really measuring sales actions and results that are important to your company's overall business strategy?

Most commercial printers spend more than 10% of total revenue on sale and sales related expenses. If sales management means tracking sales by salesperson and by customer, then consider two actions to improve your bottom line:

- 1) **Manage your sales force better, or**
- 2) **Get rid of it!**

Traditional personal selling is the most expensive form of marketing. In sales force-driven industries, like print, sales management is a sensitive issue—rightfully so. With economic shift and technological advancement comes change. Owners and sales management should be aware of the dramatic sales trends around them:

- 1) **Sales Executives have less control over customer accounts.** In the past, hiring a seasoned sales executive meant transitioning 60-80% of their clients to the new place of employment. Today, the ability to move customers is far below 50%. Price, not salesperson loyalty, has become the pivotal factor.
- 2) **Decrease selling expense by converting mainstay business to house accounts.** Some savvy companies are converting mainstay business to house accounts then servicing them with CSRs sufficiently educated in marketing to support the model.
- 3) **Operate with no sales executives at all.** For quick turn, web to print jobs, where digitally-printed jobs are sourced over the internet, personal selling isn't always necessary. In-house CSRs or account managers are able to provide adequate-to-excellent customer support.

Some companies with larger and more complex projects are relying less on sales executives as well. In consultative sales situations, the owner is the best "sales" person in many cases. Consultative sales require intimate knowledge of the company's capabilities coupled with keen business acumen, and the skills to

apply technology for specific customer benefit. In this environment, transaction sales skills can only take you so far. Many companies are finding the “consultative sales role” to be the company President’s most important and rewarding role.

Sales Management and the Corporate Strategy

A well-managed sales effort mirrors a company’s overall strategic goals. Once the corporate strategic goals are in place, a sales strategy and structure can be established and the plan put into motion. The compensation plan should be a vehicle to incent achievement of the sales objectives and overall strategic goals.

Step	The Process	Example 1	Example 2
1	Develop a company strategy with an achievable number of primary objectives.	Increase new sales \$1M in 12 months thru new clients.	Maintain current sales of \$12M/year, and \$1M/mo.
2	Develop a sales structure that supports the determined primary objectives.	Each sales rep is to call on 5 new potential customers per month.	Each CSR is to maintain relations with 5 accounts.
3	Formulate an incentive system to support your sales structure.	Salary + bonus plan based on adding new clients.	% of sales structure

There is no one solution for everyone. Take time to establish well thought out, achievable goals. Allow sales management and key sales executives to provide input on achievability of the directives. Sales accountability is a key to success in the sales compensation plan developed. Many of our clients had very positive results by allowing salespeople to set both their own goals and the action steps to attain those goals. They found self-directed goals to be personally motivating.

Monitoring for Success

Once goals are established, the monitoring process should be simple, frequent and transparent. One of our clients requires a weekly sales activity report from each salesperson and CSR. The reports are then compiled and shared with everyone to ensure accountability. Another client requires sales staff to answer 3 questions on their weekly report:

- 1) Who are they going to call on?
- 2) What events do they plan to attend?
- 3) What quotes are they going to follow up on?

Managing a sales force is never easy; but today’s changing marketplace provides new opportunities to realign sales efforts in support of company strategy and hold sales staff accountable. In the end, everyone wins if the company’s profitability soars.

Stu's View is contributed by Stuart Margolis, CPA and Partner of MargolisBecker LLC to provide information that helps firms operate profitably. More information can be found at www.margolisbecker.com.

About MargolisBecker

MargolisBecker has long been recognized as the financial expert for the printing and allied graphic communications industry, assisting thousands of companies with strategic and financial management, valuation, mergers/acquisitions, accounting, audit and tax services. The firm is noted for its expertise in enabling printing companies to optimize profits. Proudly, it is the purveyor of the industry's *Cash is King*, and *Value-Added Principles of Management*, and compiles the annual Printing Industries of America Ratios, the industry's premier financial benchmarking tool.

About New Direction Partners

The team at New Direction Partners LLC has guided over 200 printing company owners through the sales and merger process. The advisory services reflect a full set of skills to help you sell or expand your business: valuation, management consulting, financial advisory and investment banking. The deep experience and industry expertise at New Direction makes it uniquely suited to serve printing, packaging and allied graphic arts businesses.