



THE BENCHMARK

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Sales: The hardest position to fill

The greatest personnel challenge we face these days in building a grounds maintenance business is finding and managing sales representatives. We are deep into the second year of an economic recession, without any real and sustainable uptick in demand or prices in sight. Revenues are flat, at best, for more than 80% of the industry.

Revenue growth comes from two sources only: acquisition or salesmanship. Either way, you are taking market share at the expense of others, and you are buying business. And after two years of cutting costs, there is little overhead left to spare. Therefore, an investment in sales and/or acquisition is a must.

The typical first investment for business owners is hiring a salesperson. The challenge is recruiting someone in sales these days feels a lot like sticking your hand in a bag of jelly beans and hoping to pick the right one. Otherwise, you run the risk of him or her taking too long to produce results.

But if you as the owner are not prepared to invest the time to be the salesperson — and most

owners don't want to — you must find *someone* to do battle out there for you. The alternative is a slow erosion of the top line, resulting from contract losses and decreased enhancement sales.

Reaching your goals

Success in sales is primarily driven by the quantity and quality of sales activities. The key activities are first calls, follow-ups, needs assessment, and negotiation. Even the best salespeople need help managing the quantity and quality of these activities.

As you can see from the chart below, there is very little time to waste in a selling cycle. A sales goal of \$1 million in new contracts at a target job size of \$30,000 per year requires 33 new jobs sold. Applying a close ratio of 22%, the salesperson will need to bid 152 jobs. Given that not every lead qualifies (only 40% typically), the salesperson must make 379 first calls and a minimum of three additional follow-ups to get to bid the job.

Each of these activities requires *time*. By applying reasonable estimates for each activity, it becomes obvious there is little time for marketing activities and inefficiency.

Therefore, because it is not always possible to recruit the best salesperson on the first attempt, you must be certain you establish expectations clearly at the start. Before you hire a salesperson (assuming you do not take the job), there are two things you must impress upon him or her:

- 1. You are being hired to do sales, not marketing.** Marketing is an office activity, and sales is a field activity. You must live in the field.
- 2. Expect your activities to be scrutinized weekly.** You will be managed to pipeline numbers, and if this makes you uncomfortable, don't take the job.

The best hire, of course, is someone who has strong local contacts and relationships and can hit the ground running. You need to find someone who is a planner/doer, undistracted by marketing activities and unperturbed by the close and helpful management of their activities.

	Benchmark factors	Activity	Hours per activity	Hours required	Weekly activity
Sales goal	\$1,000,000				
Target job size	\$30,000				
Number of jobs to be closed	33	Negotiation*	8	267	0.7
Closing ration (likely)	22%				
Number of proposals required	152	Needs assessment**	4	606	3
Qualified ratio (likely)	40%				
Number of first time calls	379	First calls ⁺	0.50	189	3.8
Minimum follow-up calls required	3				
Number of follow-up calls	1,136	Follow-ups ⁺	0.50	568	11.4
TOTAL TIME REQUIRED*				1,630	

* Total time required does not include company meetings, measuring properties and estimating time

* Negotiation — face to face includes proposal writing, presentation preparation, call time and drive time

** Needs assessment — face to face includes preparation, call time and drive time

+ First/follow-up — includes phone and data base documentation time