



## THE BENCHMARK

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# Keys to managing a sales machine

**D**eveloping a sales machine is the most important investment a landscape contractor can make. Given pricing conditions and the negative impact this is exacting on gross profit margins, generating increased revenue volume is necessary to achieve net profit dollar goals.

Key to this revenue generation effort is the sales team. The team has never been more important, and its management has never been more critical.

The sales game is a tough one, and lack of success can cause even the best to go into a slump. Keeping your sales staff motivated is essential. The primary motivators include:

- › the need for achievement,
- › the desire to get better, and
- › the opportunity to make money.

To produce these motivators, try using the classic carrot-and-stick approach.

### Carrot

Goals and commission programs provide the carrot. Goals should be set weekly for number of sales calls, monthly for the dollar value of bids required, and quarterly for every quarter for closed revenue volume.

In my experience, most managers set goals too low. Low goals provide little pressure, and most salespeople are motivated by pressure.

Commission plans are essential. A successful salesperson should be the second- or third-highest paid employee in the company. I prefer a first year 60/40 base/commission structure, graduating it by the third year to a 40/60 with unlimited upside for the sales rep.

Salespeople are motivated when there is something at risk. When pay is guaranteed, they don't run as hard.

### Stick

Dashboards and coaching provide the stick. Most contractors do a good job managing production.

Yet they don't apply this same principle to the sales. Salespeople perform better when they are focused on high-return activities. The dashboard is the pipeline report. It is a necessary "stick" because too many salespeople spend too much time:

- › selling to people they know and too little to those they don't, and
- › working on prospects that ultimately have little chance of closing.

Salespeople need feedback. All good salespeople have had the experience of wishing they had been quicker or smarter at some point during a call. Making joint calls and engaging in post-call "curbside chats" applies the stick gently and motivates them to become better.

In working with salespeople, I have discovered some typical bad habits that can be easily addressed by this method. These include:

- › talking too much,
- › not asking the right questions,
- › arguing with the customer, and
- › failing to ask for the business and get a signature.

No salesperson is immune to these behaviors. Some years ago, in an important sales presentation, a customer actually said to me more than once, "Kevin, ask me if I want to sign this contract."

Apparently, I did not hear this. Instead, I proceeded to provide him with proof and testimonial to my wonderfulness until he finally became adamant. "Ask me!" he said.

At this point, I said, "Would you want to sign this contract?"

He said, "Yes. Now let's talk schedule. When can you start?"

I was so busy talking and avoiding the potential rejection that comes with "NO" that I never asked the closing question. It is a lesson I have never forgotten: Salespeople require the coaching stick.

The best salespeople are hard-wired for the job. At their best, salespeople are capitalist athletes. They like to win. And when they are not winning they are high-maintenance time wasters.