ADDING VALUE: SELF LEADERSHIP AND TEAMWORK

Chapter 10

LEARNING OBJECTIVES

LO1   Explain the five sequential steps of self-leadership.

LO2   Identify the four levels of sales goals and explain their interrelationships.

LO3   Describe two techniques for account classification.

SELF-LEADERSHIP

The process of doing the right things and doing them well. It includes the strategic application of effort that is honed and aligned with one's goals.

HOW DO YOU BECOME A SUCCESSFUL SELF-LEADER?

Self-insight

- To understand the needs and perspectives of your clients, staff or team, and stakeholders, you must first understand **yourself**.

- Seek feedback from direct reports, superiors, and trust colleagues, and use it to gain insight into your leadership style

    - Then use that knowledge to identify your strengths, and the areas you want to target for improvement.

Self-regulation

- Self-regulation is about controlling impulses and learning how to analyze situations in order to see the big picture and long-term results.

- Don't engage in 'knee-jerk' responses or habitual use of the same strategy across different scenarios

- Utilize a number of tools and tactics to develop our self-regulation which involves analyzing what happened and why, after making a key move or decision."

Self-identity

- To build trust and respect as a leader, you must adhere to a set of ethical values to guide your behavior – values that are consistent with you want to be as a leader.

- Make self identity a continuous learning process

- Consider who they are, and who they want to be, what image you want to convey, and to compare themselves to their 'ideal self'

- Becoming a successful self-leader happens both in the classroom and on-the-job. It is an ongoing behavioral process of whole self-development, which can be assisted by a personal guide or mentor to help you grow and evolve your perceptions.

FIVE SEQUENTIAL STAGES OF SELF-LEADERSHIP

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Setting Goals and Objectives	Territory Analysis and Account Classification	Development and Implementation of Strategies and Plans	Tapping Technology and Automation	Assessment and Evaluation

GOALS & OBJECTIVES

Effective Goals and Objectives Must Possess Three Fundamental Characteristics

- Goals should be realistic, yet challenging
- Goals should be specific and quantifiable
- Goals should be time specific

STAGE ONE: SETTING GOALS AND OBJECTIVES

REQUIRED CHARACTERISTICS OF GOALS AND OBJECTIVES

Effective Goals and Objectives Must Possess Three Fundamental Characteristics

- Goals should be realistic, yet challenging
- Goals should be specific and quantifiable
- Goals should be time specific

GOALS & OBJECTIVES

- Goals must be **realistic yet challenging** in order to maintain the salesperson's motivation.

- Salespeople will not be motivated to obtain goals they perceive as unobtainable.

  - Likewise, goals that are too easy to obtain will lower performance standards and reduce motivation.

- **Goals must be specific and quantifiable** for the salesperson to know exactly what the goal is and when the goal must be accomplished or attained.

  - For example, the goal of getting some information about the prospect might be ineffective because the salesperson will not know the type of information needed or how much information is enough to accomplish the goal.

    - Is learning the prospect's name the desired type of information and enough to accomplish the goal?

SMART

TYPES OF GOALS

Personal

A salesperson individual desired accomplishments

Territory

A salesperson's desire of selling a certain amount of product within an area or territory in order to achieve personal goals

Account

A salesperson's desire of selling a certain amount of product to one customer of account in order to achieve territory and personal goals

Sales Call

A salesperson's desire of selling a certain amount of product per each sales call in order to achieve account, territory, and personal goals

COMMON TYPES OF SALES GOALS

EXHIBIT 10.3

Common Types of Sales Goals

|	
• Financial Goals	Income, Financial Security
• Career Advancement Goals	Work in Chosen Field, Advancement
• Personal Development Goals	Education, Training, Relationships Outside Work
• Sales Volume Goals	Dollar Sales, Unit Sales, Number of Orders, Aggregates or by Groups
• Sales Call Activity Goals	Calls Made, Calls/Day, Calls/Account, Presentations Made
• Sales Expense Goals	Total Expenses, by Category, Percent of Sales
• Profitability Goals	Gross Profits, Contribution Margin, Returns and Discounts
• Market Share	Total Share of Potential Market, Peer Group Comparisons
• Share of Account	Share of Customer's Purchases
• Ancillary Activity Goals	Required Reports Turned in, Training Conducted, Service Calls Made
• Customer Retention Goals	Number of Accounts Lost, Complaints Received, Lost Account Ratios
• New Account Goals	Number of New Accounts
• Customer Service Goals	Customer Goodwill Generation, Level of Satisfaction, Receivables Collected
• Conversion Goals	Ratio of Number of Sales to Number of Calls Made

STAGE TWO: TERRITORY ANALYSIS AND ACCOUNT CLASSIFICATION

The process of surveying an area to determine customers and prospects who are most likely to buy.

STAGE TWO: TERRITORY ANALYSIS AND ACCOUNT CLASSIFICATION

- Who are prospective buyers?

- Where are they located?

- What and why do they buy?

- Who has the authority to buy, who influences the buying decision?

- What is the probability of selling this account?

- What is the potential share of account that might be gained?
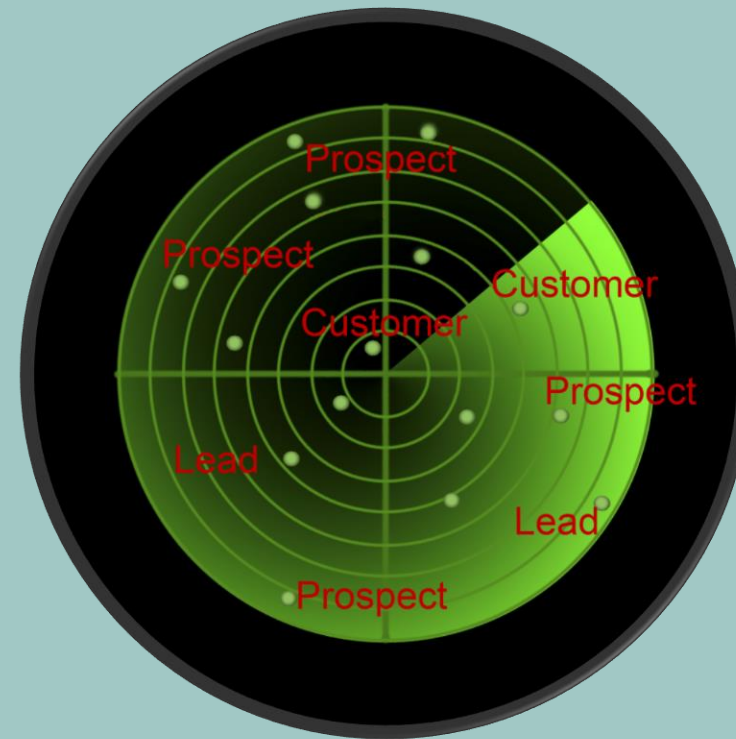
ACCOUNT CLASSIFICATION

Places existing customers and prospects into categories based on their sales potential and assists salespeople in prioritizing accounts for call planning and time allocation purposes.

Common that 80 – 90% of their sales potential is generated by 10 to 20% of the total accounts

Guides sales people in a more efficient allocation of time, effort, and resources while simultaneously enabling them to be more effective in achieving sales goals.

> Two commonly used methods
>> Single factor analysis
>> Portfolio Analysis

Key account classification criteria

- Customers responsible for (example factor 80%) of revenue
- Customer with over (example factor: $ 1.5 mio) sales
- Customer with potential of (example factor: $1.5 mio. sales within 2 years)
- Customer generating (example factor: $800'000) profit
- Customer responsible for (example factor: ≥2 or more %) of the market in units or value
- Customer with contribution (example factor: > 5%)
- Opinion leader influences (example factor: 20%)

Account screening criteria

- Ability to sustain long term profitable relationship ($X net over Y years)
- Account values products and services as distinct from competition
- Relationship has strategic value and can create differential advantage by serving the customer
- We can create considerable barrier to entry by serving the customer
- Customer relationship based on more than price negotiation
- Potential for growth greater than the current major clients

TERRITORY ANALYSIS

- Surveying an area to determine customers and prospects who are most likely to buy

- Sources used

  - Business and trade directories

  - Individual company Websites

  - Professional association membership listings

  - Commercial mailing list providers
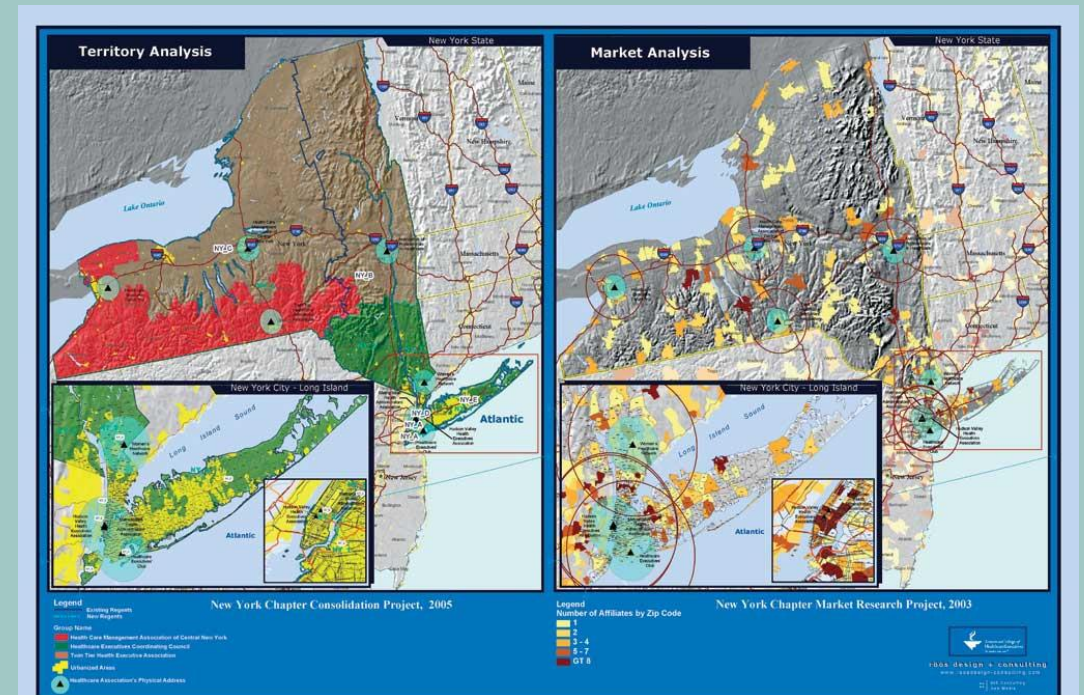
STAGE TWO: TERRITORY ANALYSIS AND ACCOUNT CLASSIFICATION

account classification
The process of placing existing customers and prospects into categories based on their sales potential.

single-factor analysis
A method for analyzing accounts that is based on one single factor, typically the level of sales potential.

portfolio analysis A method for analyzing accounts that allows two factors to be considered simultaneously.

STAGE 3 – DEVELOPMENT & IMPLEMENTATION OF STRATEGIES & PLANS

Establish and Implement Selling Task and Activity Plans
(e.g., sales goals, expense budgets, number of new accounts, and so forth)

- Yearly plan (sales goals and expensed budgets)
- Quarterly Plan
- Monthly Plan
- Weekly Plan

Note: Yearly plan should support the goals of the organization. Quarterly, Monthly, and Weekly plans should support the yearly plan.

Execution of plans should be monitored and adjustments made as necessary.

SALES PLANNING

Scheduling activities to use it as a map for achieving objectives

Principles that maximize the effectiveness of sales plans

- Write down plans
- Keep plans current and flexible

TERRITORY ROUTING PLANS

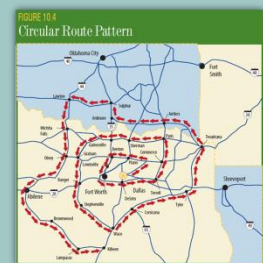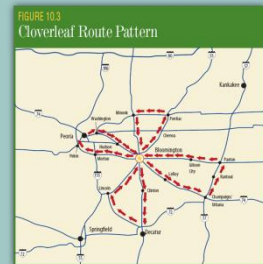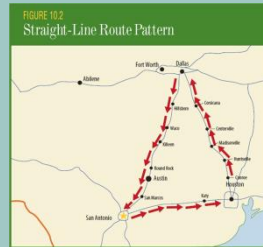Incorporate information developed in the territory analysis and account classification stage

Helps minimize the encroachment of unproductive travel time

Types - Straight line, cloverleaf, circular, leapfrog, and major city

ESTABLISHING TERRITORY ROUTING PLANS

Types of Territory Route Patterns

FIGURE 10.2 Straight-Line Route Pattern

FIGURE 10.3 Cloverleaf Route Pattern

FIGURE 10.4 Circular Route Pattern

FIGURE 10.5 Leapfrog Route Pattern

FIGURE 10.6 Major City Route Pattern
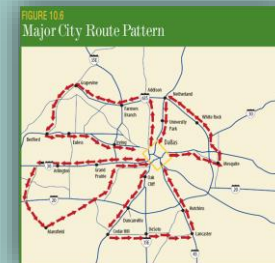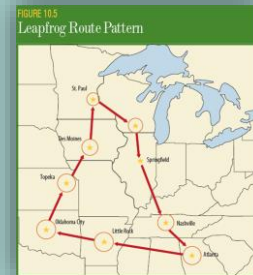
- Straight-Line Route Pattern
- Cloverleaf Route Pattern
- Circular Route Pattern
- Leapfrog Route Pattern
- Major-City Route Pattern

STRAIGHT-LINE ROUTE PATTERN

FIGURE 10.2
Straight-Line Route Pattern

Works Best When:
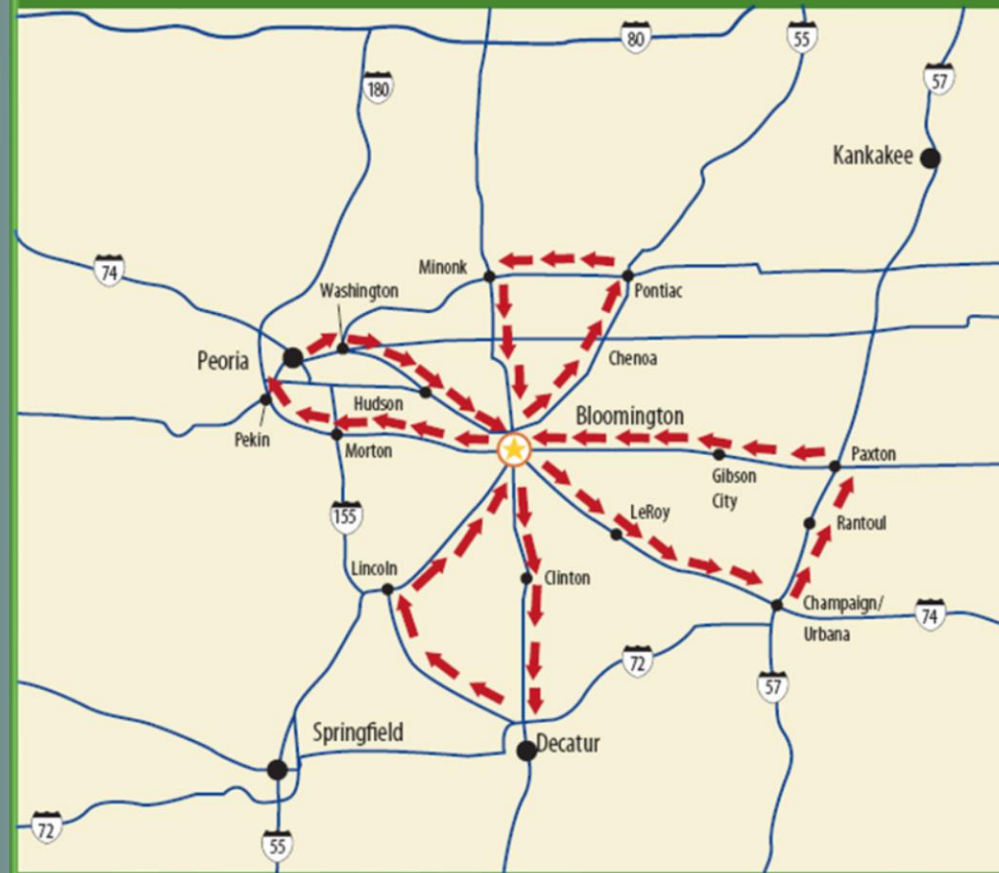*Accounts are located in clusters that are some distance from one another.*
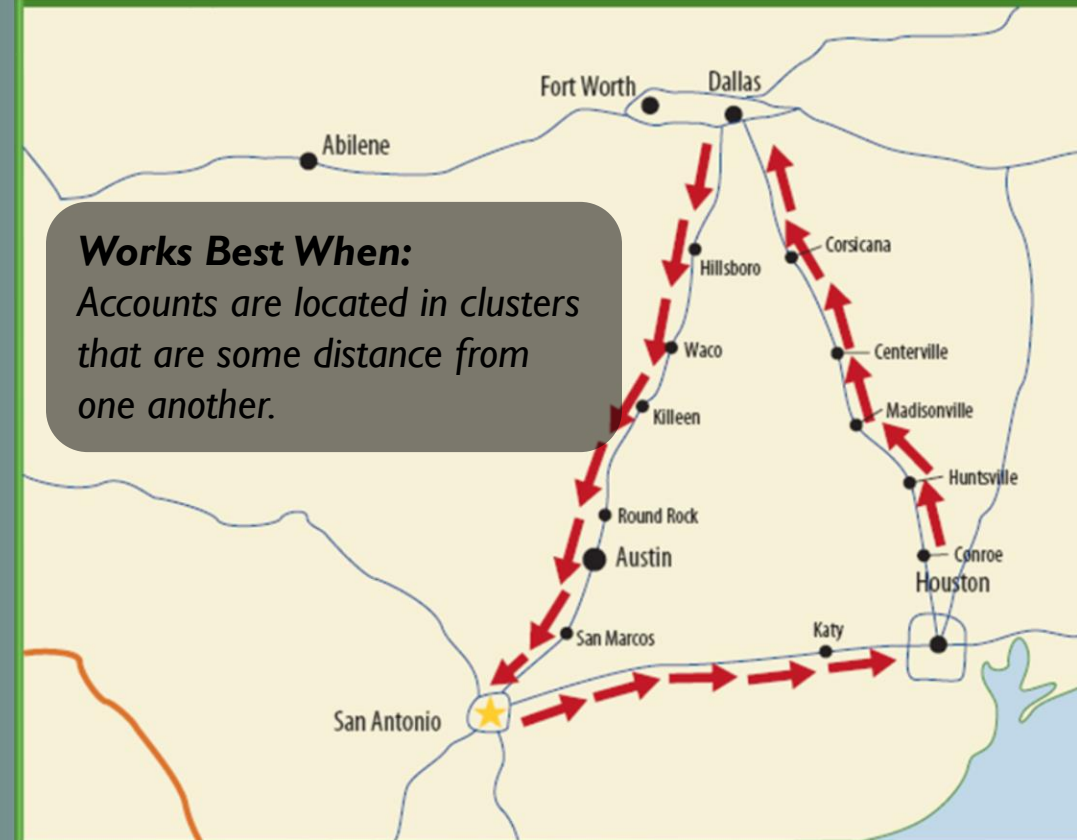
CLOVERLEAF ROUTE PATTERN

Works Best When:
Accounts are concentrated in different parts of the territory.
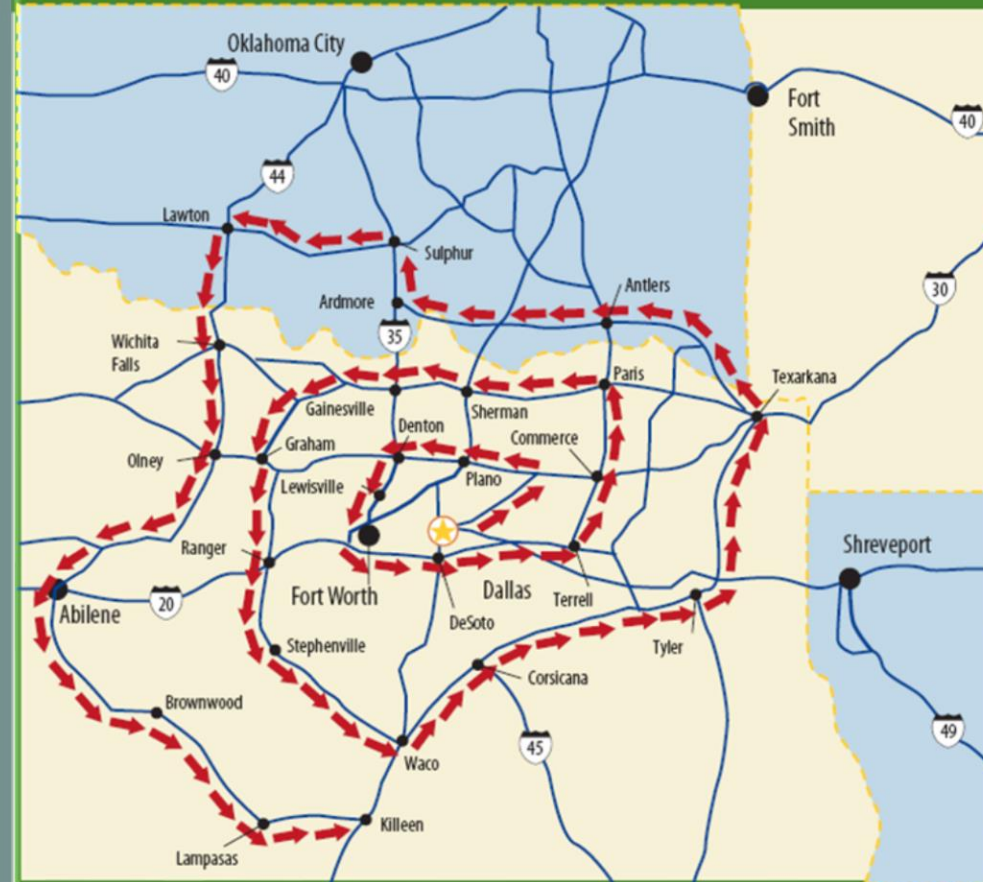

FIGURE 10.3
Cloverleaf Route Pattern

CIRCULAR ROUTE PATTERN

FIGURE 10.4
Circular Route Pattern

Works Best When:
Accounts evenly dispersed throughout the territory.

LEAPFROG ROUTE PATTERN

FIGURE 10.5
Leapfrog Route Pattern

Works Best When:
Territory is large and accounts are clustered into several widely dispersed groups.

MAJOR-CITY ROUTE PATTERN

Works Best When: *Territory is composed of major metropolitan areas.*


FIGURE 10.6
Major City Route Pattern

4. TAPPING TECHNOLOGY AND INNOVATION MOBILE SALES TECHNOLOGY

Portable Computers and Smartphones

- Mobile CRM applications
- Presentation Capabilities
- E-mail, texting, Social Networking
- Wireless Communications

Deal Analytics

- "Smart" sales force automation tools that analyze data on past customer behavior, cross-selling opportunities, and demographics to identify areas of opportunity and high customer interest.
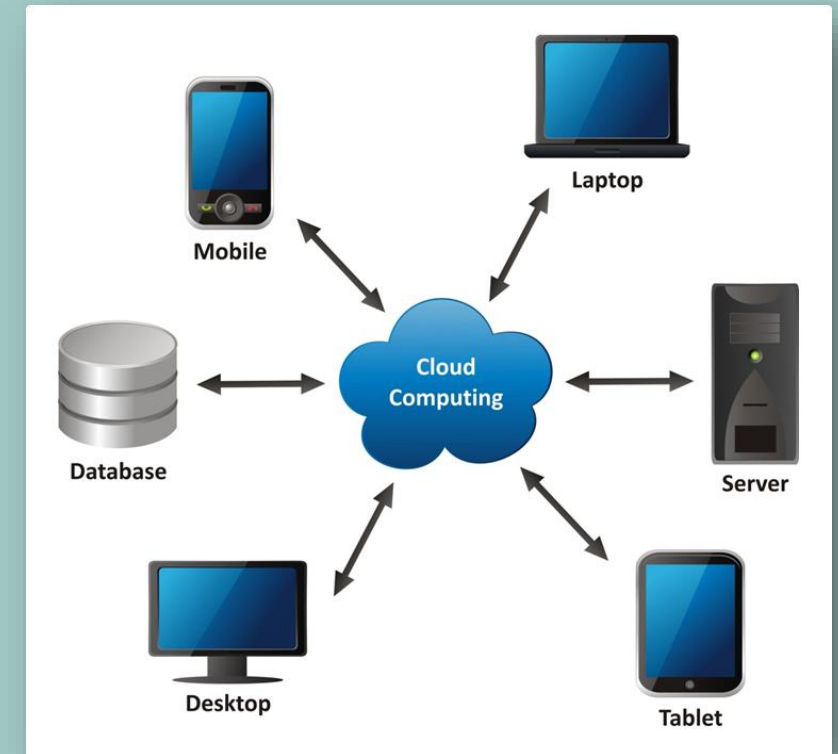
INTERNET/WORD WIDE WEB

- Internet

- Intranets (controlled corporate access)

- Extranets (controlled access to customers and suppliers)

- Wi-Fi Connectivity
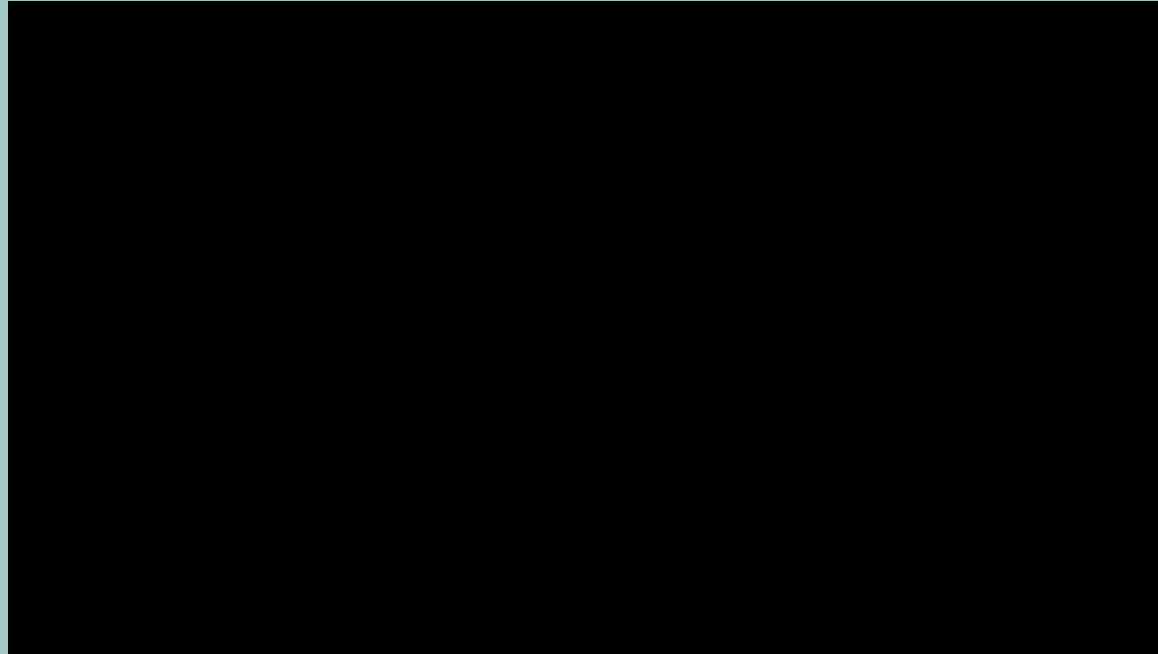 - Hot Spots
  - Mobile Wi-Fi Access (Mi-Fi)

STAGE 5 – ASSESSMENT OF PERFORMANCE AND GOAL ATTAINMENT

- Plan for periodic checkpoints.
- Compare projected performance level to actual performance level.
- Evaluate performance and make adjustments as necessary.
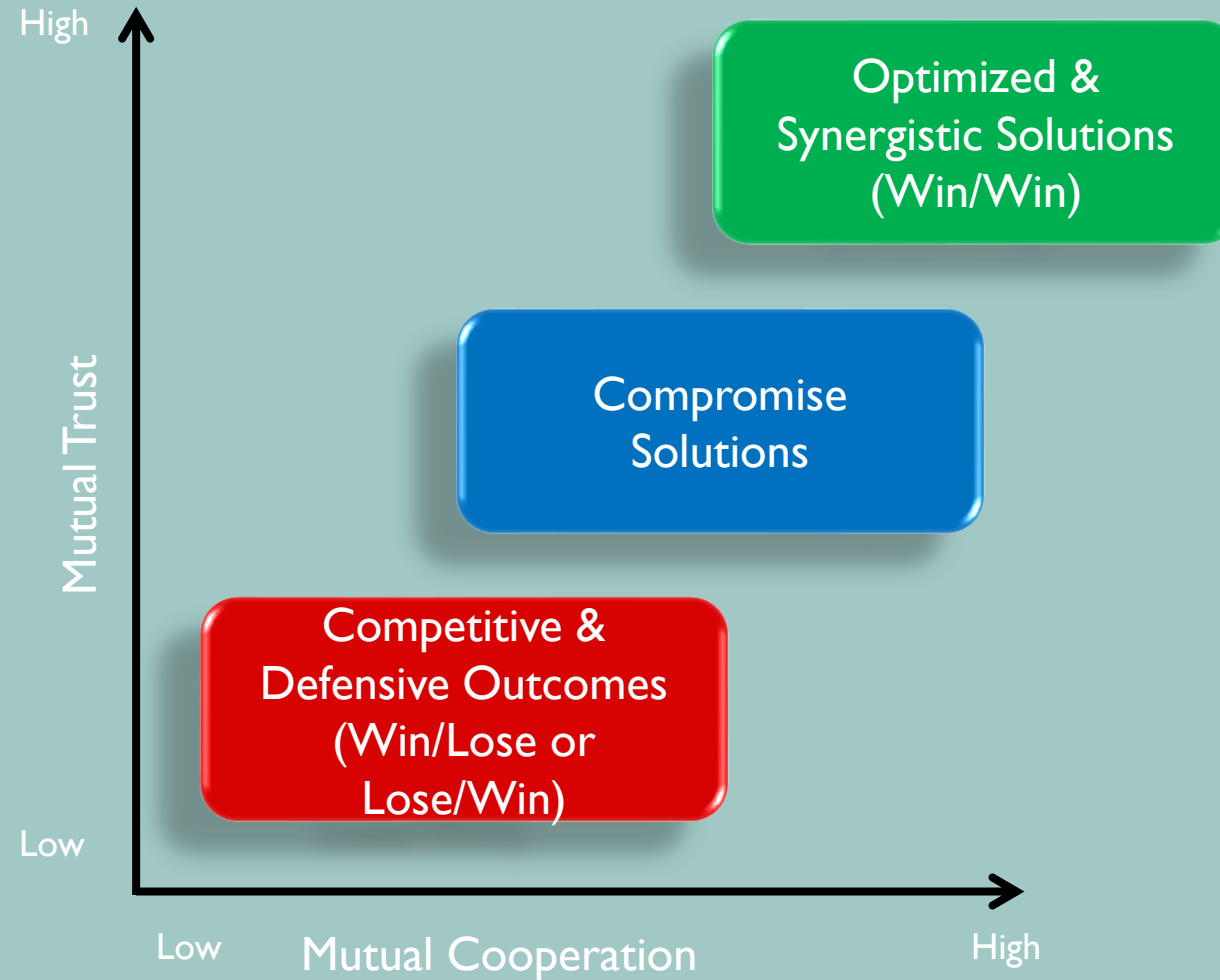
SELF LEADERSHIP - GURU, ANDREW BRYANT

BUILDING TEAMWORK SKILLS

1. Understanding the Other Individuals
2. Attending to the Little Things
3. Keeping Commitments
4. Clarifying Expectations
5. Showing Personal Integrity
6. Apologizing Sincerely When a Mistake Is Made

AARON M