



WHEN MANAGEMENT ISSUES ARE "TRAINING ISSUES"

**FOUR TRENDS THAT DEFINE
SUCCESSFUL MANAGERS**

by Rick Rosenthal and Jennifer Gould



Management development teams continually search for new ways to train and maintain a highly skilled group of district managers (DMs) and region managers (RMs). Ideally, enhancements to development programs should meet two criteria. From a company perspective, they should target behaviors linked to district and region sales success. From a participant perspective, they should align with self-assessed learning priorities.

Through our latest research, we have identified four trends in sales manager effectiveness that management development teams should consider since they meet both criteria.

TREND NO. 1: MAKING FIELD TIME THE TOP PRIORITY

To maximize sales, DMs need to be in the field observing sales calls and coaching. Even though many companies set goals for field time (typically three to four days per week), DM field time averages just two to 2.5 days per week. The main explanation for this gap cited by 83% of DMs industry-wide: administrative tasks (see Figures 1-3).

Help close the gap by delivering training on time management and prioritization. RMs recognize this training need, with only half self-assessing at "skill mastery." And though it may be tempting to focus on time management tools, such as planners or software, such tools are less important than the critical thinking skills needed to apply them effectively.

Working with RMs can also help address the administrative conflicts that lead to lost field time. RMs inadvertently disrupt field time by scheduling conference calls during field days, setting short response times on ad hoc administrative tasks, and requesting information from DMs that they can acquire in other ways. In addition to teaching RMs the time management, prioritization, and critical-thinking skills mentioned above, train them to use company resources to support their own information needs. More than 90% of RMs have experience as sales representatives and DMs, but only 61% have headquarters experience. By increasing RMs' knowledge of headquarters resources, you can help them reduce administrative burden on DMs, and maximize DM field time.

RM field time also merits attention. Effective RMs spend two to three days per month in the field—using the majority of that time to call on key accounts and attend events where they can interact with even more key customers. Effective RMs spend a minority of their field time riding with representatives to observe routine calls.

Unfortunately, fewer than 5% of RMs allocate their field time in both of these effective ways. Help enhance the effectiveness of RMs' field time by teaching them how to allocate their time

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Figure 1

The Most Effective Sales Managers in the Industry...

- Enjoy higher job satisfaction
- Create greater leadership impact
- Produce consistently better sales results

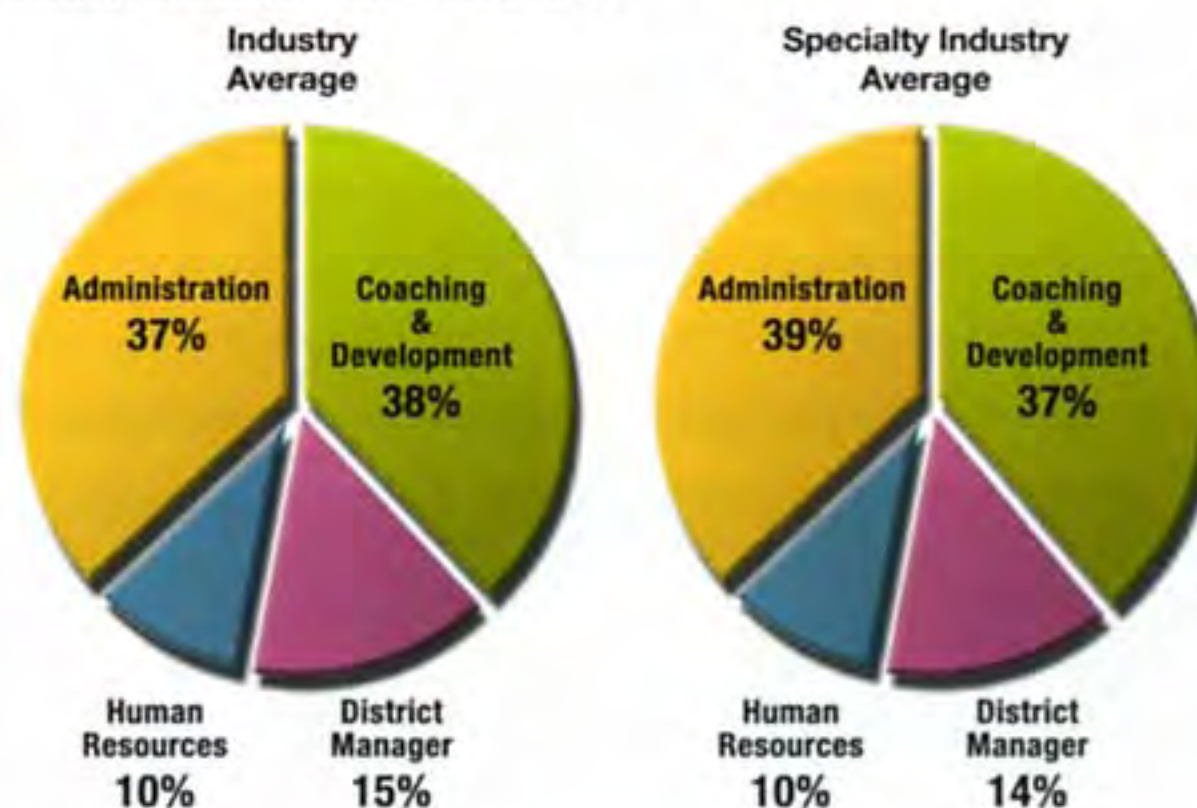


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Figure 2

Time Spent Coaching = Time Spent on Administration

District Manager Time Allocation



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Figure 3

Administrative Tasks and Meetings Detract From Field Time

Things most preventing DSMs from spending time in the field

Barrier	% of DSMs
	Industry Average
Administrative Tasks	83%
Meetings	80%
Conference Calls	40%
Travel	30%
Recruiting	22%
Special Projects	14%
Attending Training	14%
HR Issues	9%
Other	5%
Technology Issues	3%

Field Days Sacrificed in the Last Month Because of Administrative Tasks

2.5

Industry Average

Annual impact of gaining 1 field day per month
12 field days or 3-4 weeks in the field

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Figure 4

Key RM Averages

	Industry Average
Average RM Tenure (years)	5.2
Average Region Size (miles)	890
Average Number of Representatives	112
Average Number of DMs	10
Average Number of Products Responsible for	5.0

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and by developing the skills needed to network and negotiate with key customers.

TREND NO. 2: MANAGING THE PERFORMANCE SPECTRUM

While most management development teams appropriately focus training resources on DM coaching skills, fewer offer

RM training on "coaching the coach." Such specialized training recognizes that coaching DMs requires strategies that aren't relevant when coaching representatives (see Figures 4 and 5). Other types of specialized performance management training also deserve increased attention:

New Hires. Nearly three-quarters of DMs and 69% of RMs hired a new direct report last year. Important skills for effectively onboarding new associates include setting expectations, creating mentorship, and listening actively. Though most companies have a new hire onboarding process, many DMs and RMs either have never been trained or were trained many years ago in such processes.

Poor Performers. In 2006, almost half of DMs (47%) managed a poor performer in their district. The average time to resolve poor performance was more than six months. Some DMs reported situations persisting for more than a year. DMs with a poor performer spend an average of one full day per month performing extra administration required to manage them—reducing time available for coaching other representatives.



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It's important to recognize RMs' and DMs' discomfort with this aspect of their jobs. In fact, when identifying areas for their own training and development, DMs and RMs prioritize skills applicable to managing poor performers, including:

- Providing negative feedback
- Managing poor performers beyond giving feedback (for instance, company HR processes)
- Managing conflict
- Gaining consensus on critical issues
- Measuring individual performance in the context of selling team performance.

Tenured Associates. As tenure increases, the needs and motivations of representatives and DMs evolve. Effective DMs and RMs adjust coaching strategies to leverage tenured associates' knowledge and skills. You can extend initial management and coaching training by teaching DMs and RMs to recognize these associates' unique needs and to engage them in the process of leading team performance.

Figure 5

Region Manager Time Allocation

Industry Average



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**TREND NO. 3:
INSTILLING OWNERSHIP**

We define "ownership" as the belief that individual contributions determine business results—and that these *continued on page 48*



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contributions are reflected accurately in performance ratings and bonus payouts. Team selling models ("pods") can challenge efforts to create ownership among representatives. After all, when sales results are positive, selling team members may share rewards equally regardless of individual contributions. Conversely, when sales results are poor, selling team members share reduced earnings—even when one may have performed well. These dynamics help explain why in 2006, fewer than half of DMs indicated that their representatives possessed high ownership.

Ownership underpins a manager's ability to motivate high performance and to hold individuals accountable for poor performance. Support DMs and RMs by explicitly addressing their roles in instilling ownership and by providing training to help them achieve this outcome (see Figure 6).

RMs and DMs indicated that they'd like additional training in three areas linked to instilling ownership: increasing representative commitment and engagement, building high-performance teams, and motivating representatives.

Figure 6

Time Allocation

Region Manager experience prior to becoming an RM

		Industry Average	
		Hours*	%
ADMINISTRATION	Developing and sending field communications	8.2	18%
	Administrative tasks	14.6	32%
	Reviewing product information	12.9	28%
	Working on special products	10.3	22%
	Total Administration	45.9	100%
COACHING & DEVELOPMENT	In-person meetings with direct reports	22.7	81%
	Managing new hires	5.2	19%
	Total Coaching & Development	27.8	100%
FIELD TIME	Conducting calls with representatives or managers	21.3	77%
	Attending dinner programs and promotional events	3.3	12%
	Calling on key customers or opinion leaders	2.9	11%
	Total Field Time	27.8	100%
HUMAN RESOURCES	HR issues	9.8	39%
	Recruiting, interviewing and hiring	8.7	35%
	Managing and tracking poor performers	6.4	26%
	Total Human Resources	25.0	100%
REGION MANAGEMENT	Attending local company meetings	17.9	39%
	In-person meetings with regional counterparts	8.0	18%
	Coordinating efforts with co-promotion partners	2.1	5%
	Analyzing business drivers	17.6	39%

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Other important skill areas for training: establishing clear and unique objectives for each associate, particularly for individuals working in teams; gaining agreement; measuring individual performance against objectives; and providing positive and negative feedback.

TREND NO. 4: SUPPORTING THE ROLE OF THE RM

As a specialist in management development, you probably recall meetings where almost every agenda item ended up being tagged as a "training issue." You also know that however well they are executed, one-time training events have limited impact on long-term organizational performance. Learning objectives addressed in training must be pulled through into standard company practice. Region managers provide the crucial link between one-time training events and ongoing DM skill development and, through their impact on DMs, to representative skill development (see Figures 7 & 8).

Recently, more companies have turned their attention to supporting the RM's role in training and development. Management development and sales leadership should collaborate to clearly define the RM role in ensuring representative and DM preparation prior to attending company training, as well as the RM role in following up afterward.

After defining the RM role with sales leadership, at least three important steps remain:

1. **Communicate regularly.** RMs possess consistent records of high performance. When provided with clear objectives, most will find a way to achieve them. Since competing

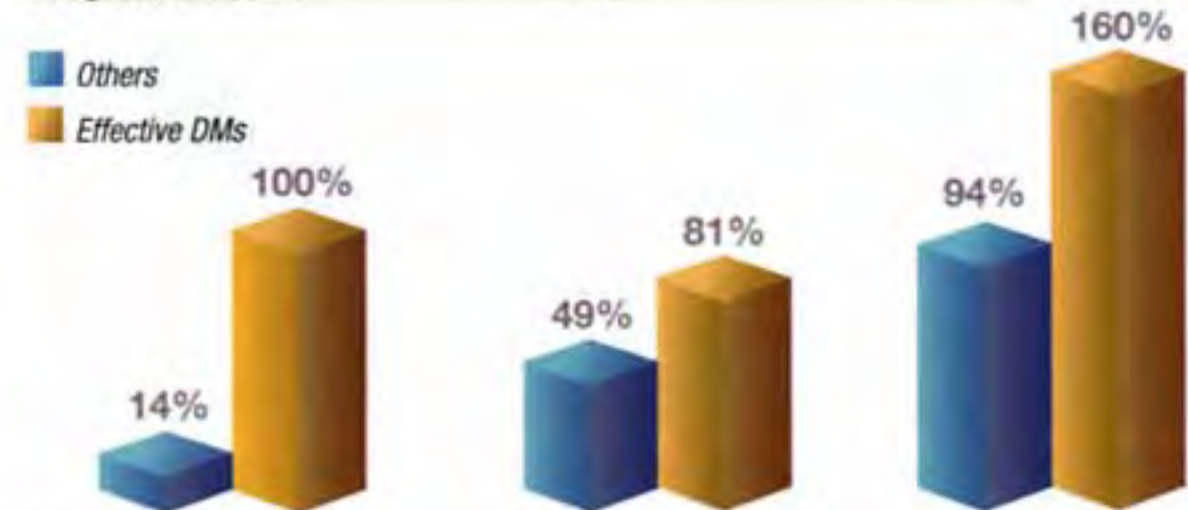
Figure 7

The Effect of Regional Manager Effectiveness

- ▶ ERMs consistently produce more for their companies
- \$18MM more PER YEAR in revenue for each \$100MM in sales objective

2003 Average Performance vs. Goal

	Others	Effective RMs
Product 1	97%	107%
Product 2	95%	104%
Product 3	94%	102%
Region Overall	97%	115%



% of RMs Consistently Exceed Sales Goals

Average % of Districts Achieving Goal

DM Promotions vs. Turnover

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priorities may cause them to overlook their role in pulling through training, use regular, clear communications to deliver helpful reminders.

2. **Provide tools.** To reinforce training, RMs need copies of course materials and lists of topics to review. If RMs need to monitor and coach application of new skills, identify those skills, how to observe and measure them, and what resources they can draw on if they want additional support.

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3. Create systems for measurement. The adage "you can't manage what you can't measure" applies to the RM role in development. Implement systems for measuring RM performance—including an objective basis for feedback and a method for recognizing top performers.

Support DMs and RMs by explicitly addressing their roles in instilling ownership and by providing training to help them achieve this outcome.

GETTING STARTED

Management development teams can enhance DM and RM curricula by understanding and responding to trends in sales management effectiveness. Your first step: prioritize investments by focusing on these four areas that have known sales impact and that DMs and RMs clearly want to pursue.

Figure 8

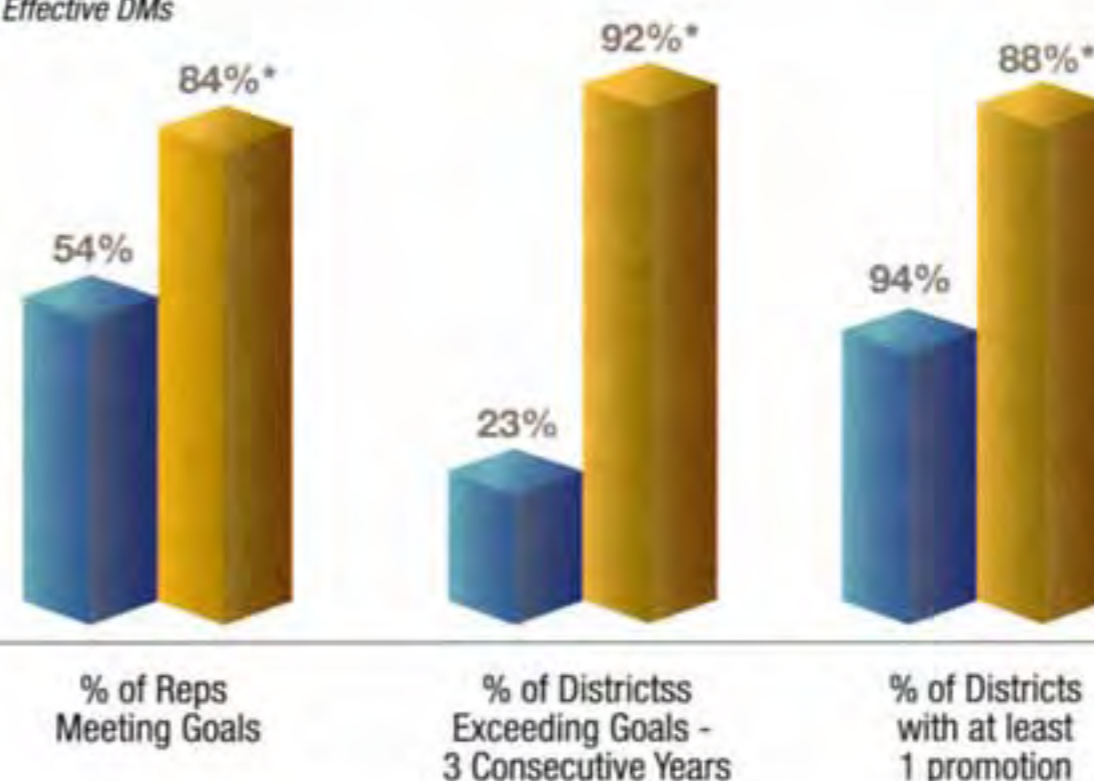
The Effect of District Manager Effectiveness

▶ Effective DSMs produce more for their companies

● Produce 10% more sales each year (108% SGA vs. 98%)

■ Average DMs

■ Effective DMs



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* Significantly different from Average DMs at p<.05

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