

## **A Career Crossroads – Do top salespeople make the best sales managers?**

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Anyone who has worked in a sales organization has heard the adage; top salespeople don't make the best sales managers. You often hear this lament from sales executives who have seen top salespeople promoted to sales management only to have the organization lose a top producing, consistent sales performer and gain a low performing, struggling sales manager. Finding or replacing high performing salespeople is difficult in times of high unemployment; in today's full employment economy it is not only difficult, it can be costly. Sales compensation costs in some industries are rising by more than 25% annually as companies compete for sales talent. Companies cannot afford to lose top performing salespeople, and they need sales managers who understand the business, the customers, and the market. If a company can't find salespeople who can successfully make the transition from "carrying a bag" to sales management, how will it fill its sales management needs in the future?

Is the adage true that top salespeople don't make the best sales managers? The good news is no – your best salespeople can be highly effective sales managers. The bad news is that some of your best salespeople will be your worst sales managers. The key to effective sales management selection is determining the capabilities and motivators that distinguish salespeople who can successfully make the transition from those who cannot.

First, examine the differences in the rewards of sales management compared to the rewards of sales professional work, starting with the intangible rewards. Many top salespeople like the feeling of accomplishment and the immediate gratification of closing the big sale. People who want closure and do not tolerate ambiguity are often the best salespeople. They won't let the customer stay indecisive. They also enjoy working alone and having control of their work. If you ask a top salesperson in your company what she likes best about the job, a common response will be "I control my own destiny."

Unfortunately, sales managers do not have that level of control over their own destinies. Sales managers have to implement corporate initiatives, make long-

term market decisions that may not favor short-term sales, and depend on others to “close the sale.” The sales management job simply does not satisfy employees who have a strong need to score the goal themselves. Sales managers also have to tolerate more ambiguity in their role than salespeople have to tolerate. In management, things just aren’t that clear cut or black or white. There is more gray and managers often leave the office at the end of the day with more issues left open than closed. Many sales managers eventually decide to return to sales positions because of what they describe as “the frustration of management.” The source of their frustration is the lack of closure and control.

There is also the practical issue of the difference in tangible rewards – money. Anyone who has ever made the transition from top salesperson to sales manager will tell you that they often made less money, especially the first year. Sales compensation experts have wrestled with the issue of compensation compression between sales managers and salespeople for years. The challenge is that many of your best salespeople are motivated by money – they are almost mercenary in their pursuit of incentives. When a company promotes this type of salesperson to management, the company faces both a retention and a motivation problem. The retention of the new sales manager who does not accept that the tangible rewards are different is just one issue. Companies find that this type of sales manager really becomes the lead salesperson, participating and personally managing as many sales calls as possible.

The motivation challenges – intangible rewards and tangible rewards are different. The other challenge in sales management selection is that the most critical competencies are significantly different from effective sales competencies and are difficult to screen for and assess. In addition, these critical success factors are not part of the natural development of sales professionals, nor are they easy to develop quickly in a new role. Specifically, there are four critical competencies that sales managers need for success that are not usually developed on the job.

- **Managerial Courage:** Top salespeople are often “pleasers.” They have made a career of satisfying customer needs even when those needs are unreasonable or cause the salesperson to make decisions that are not in the company’s best interests. The salesperson who can’t say “no” to the customer will have a difficult time managing a team of salespeople who can and will make some unreasonable demands.
- **Dealing with Ambiguity:** This competency is the most difficult to assess and the most difficult to develop. It is key to a manager’s ability to manage the “gray” of leading others. Dealing with ambiguity means being able to manage situations where the rules are not so clear. It is the ability to leave an issue open and not push

for closure. It is the special ability to see an alternative that is neither one way nor the other, but a “third way.” The best example of this competency is the manager who can find a way to increase sales volume and margins and does not automatically presume that the two are mutually exclusive.

Dealing with ambiguity also involves taking risks and making decisions without all the facts. It is a common myth that top salespeople are risk takers. This myth has its genesis in the assumption that salespeople must be risk takers because they are willing to have at least part of their incomes at risk. In fact, most salespeople are security oriented. Their goal has been to build their sales territory to the point where it generates a predictable income, even if technically, that income depends on performance. This is the reason why salespeople are so quick to ask for sales quota relief when events happen that affect their sales performance and they believe were outside of their control. They want their performance to be predictable and sure. Unfortunately, the management job is much more unpredictable, and an effective manager has to be able to navigate the uncertainty and ambiguity of most management situations.

- **Managerial decision making:** While some elements of this competency demand strategic skills, most managers can demonstrate managerial decision making without being strategic. Managerial decision making means the ability to analyze a situation from a broader perspective, from a long-term, “What is best for the company” perspective. Many sales managers can only focus on what is best for their individual markets or territories. They start by analyzing situations from a salesperson’s perspective. They focus on issues like the impact of the decision on the salesperson’s incentives or how the team will react to their decision. While these are legitimate factors to consider, they are a very narrow starting point. The top salesperson who is the first to criticize a company initiative in a meeting because of the potential negative impact on him personally is unlikely to be an effective sales manager.
- **Team skills like questioning and listening:** While top salespeople are supposed to be strong at asking questions, developing customer needs, and listening, many are not. They have achieved top sales status because of their extensive knowledge of the products, the company, and the people at their customers. They are aggressive and focused on what is best for them individually and have trouble working on teams. They are certain that they are right and others are wrong and have trouble listening to people with a point of view different from their own. Some are described by

others on the sales team as “prima donnas,” and they are used to having others give in to them. As sales managers, they are over-controlling and don’t listen to their sales teams. They have significant problems developing peer relationships. At many companies, selling is rapidly becoming a team sport because of the wider range of services and expertise that customers require. The top salesperson who acted as a maverick and ignored the rest of the selling team will have trouble leading in this environment.

Different motivators and different competencies drive the sales to sales management succession challenge. How do you determine if the top salespeople who insist that they want to be sales managers will be motivated and effective sales managers? How do you prevent losing a top salesperson because of a wrong promotion decision? The most effective strategy is to develop a *mutual* assessment program; an assessment program that gives the company the opportunity to assess employees' sales management potential and gives employees the opportunity to experience the sales management role to determine their best career choice.

A mutual assessment program should include live exercises that simulate the challenges of sales management. Giving top salespeople this opportunity helps them to make a more informed career decision. In fact, approximately twenty percent of participants in assessment programs or pre-supervisory programs decide that a career as a “high pro” is a better choice for them. And all of them leave these programs with a deeper understanding and empathy for their own managers.

These live exercises need to include opportunities to make tough decisions — decisions that are controversial and have the potential to cause conflict on the sales team. Salespeople participating in an assessment program should also have to coach a salesperson and give that salesperson feedback. Assessors should be trained to focus on the candidate's skill in constructively confronting issues, managing conflict, and demonstrating managerial courage.

These live exercises also create opportunities for the assessment program raters to observe candidates as they ask questions and listen to others during the discussions. One common exercise, a leaderless group discussion, requires that four to five candidates tackle a company challenge and reach agreement on strategy and priorities with a short timeframe for completion. Raters observe the candidates as they interact with each other. Who speaks first? Who listens well? How does each person manage conflict? How does this person work on a team? Team and interpersonal skills are a critical factor in any first time manager's success or failure.

Exercises that force the salesperson to analyze the business and make decisions to change territories, account assignments, and the sales team make it possible for raters in the assessment program to assess both managerial courage and managerial decision making. Conducting structured interviews during the assessment program gives raters the chance to ask the salespeople about the factors that they considered when making territory and account assignment decisions.

One of the most important benefits of assessment programs is their ability to test and assess an employee's potential to deal with ambiguity. Dealing with ambiguity is one of the most difficult competencies to both develop and to assess. Participating in an assessment program is, in and of itself, an ambiguous experience and is an excellent test of someone's ability to navigate ambiguous situations. Participants in the program should be given little to no preparation prior to attending the assessment center. At least one, preferably two, of the exercises should have built-in surprises – challenges that force the participants to react instantly and to make decisions with little or no information. How well candidates handle the experience of participating in an assessment program is one of the best measures of how well they will handle difficult, first-time situations. And difficult, first-time situations will be the most common situations they will face in their first six months as sales managers.

Today, many companies rely on the performance of the salesperson and the manager's assessment of the employee's sales management potential. Traditional interviews with all of their biases fail to uncover the information necessary to make a sound selection decision. This is compounded by the fact that the competencies that determine success are difficult to assess and to demonstrate as a salesperson. An assessment program that objectively rates each candidate's sales management potential can significantly improve the quality of selection decisions. But selection is only part of the equation. Salespeople benefit from experiencing the challenges they will face as sales managers. They learn that it takes more than being a "super salesperson" to be successful. Together the employee and the company can make better career choices as a result of this experience.