

Anomaly or trend? How to permanently improve sales performance

IN my first ever sales month as a 21 year old I achieved 128 per cent of target (how sad that I remember!). I received much applause and adulation and then fell on my arse for the next two months and achieved the square root of sod all. Why? Because in my first month I got a lucky enquiry and a big deal but my managers fooled themselves (and me) into believing that 'Crabbers has cracked it'!

So let's really grasp the nettle this month and tackle the issue of targets, their place in motivating salespeople and the pointless fashion in which they are usually used.

The use of targets in commerce and society has reached truly epidemic proportions. They have been with us in business for a very long time but they now show up in places like schools and hospitals – I even went into a public convenience a few days ago that reported its cleanliness levels against a target!

Now please don't misunderstand me – I'm not some sandal wearing softy that believes we should ban all targets and that it's not the winning but the taking part that matters. I do however believe that many of us have forgotten why we are setting targets and are just in an habitual pattern of doing so because everyone else does.

The notion central to the target setting concept is that it drives performance. Aficionados of the target setting art claim that without them poor souls like salespeople would fail to understand the need for improving performance! They would likely wally around in some distracted daze not sure whether it would be better to sell more or less of a particular product or service! Only by setting an arbitrary hurdle over which they must cross could they possibly understand the need to do more!

This is as insulting as it is pointless and one only has to spend a short period of time working with the extraordinary professionals in our health or education services to see evidence of the demeaning effect these regimes have upon the

overwhelmingly dedicated majority.

My experience of target setting is that it is in fact not particularly good at driving performance – brilliant management is really the only predictable means of delivering consistent performance improvement but I've probably banged on about that enough in this column already. Indeed the most successful salespeople I have ever worked with often have no idea where they are against some seemingly random number that the bean counters dreamed up – they are too busy building outstanding relationships with their clients, learning how to best apply your products and services to their needs and then servicing the living daylights out of these clients. Strangely salespeople who focus on these things always seem to blast their targets out of sight!

So how can you use the target regime in your business more effectively? The key is to understand performance trends and make up. What a salesperson does in any one particular period is largely irrelevant – whether it's a weekly target for low ticket products or an annual target for complex, high ticket business solutions – what really matters is how that performance was achieved and how it compares with the previous period and all periods previous to that.

So take a look at the performance of all your salespeople for January 2008. How does it compare with January 2007? What does their graph of performance look like over the at least the last 12 months (please tell me you have this for each and every salesperson)? Moreover what is the trend of their key metrics? How has the value of their pipeline changed, their activity developed, their proposal value increased or their average order value been enhanced?

Make it your resolve this year to manage in more than one dimension and look out for the dumb rookie who blasts his numbers in his first month – if you're not careful in 18 years he or she might have had to resort to writing columns like this!



Matt Crabtree



The use of targets in commerce and society has reached truly epidemic proportions. They have been with us in business for a very long time but they now show up in places like schools and hospitals

MATT CRABTREE

Positive Momentum Limited
matt.crabtree@
positivemomentum.com
www.positivemomentum.com
+44 (0) 7808 780666

NEXT MONTH

Bribery, corruption and other ways of rewarding salespeople