

2016

SALES MANAGER SURVEY



2016 STAR Sales Manager Report



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About STAR Results

STAR Results is a sales leadership coaching, training and consulting organization dedicated to leadership development. Our mission is to inspire sales leaders, managers and sales people to rise to their full potential.

The sales force is the key growth driver for many companies, yet many companies fail to operate anywhere close to their full potential. We help sales organizations maximize the performance of their sales team by transforming sales managers into great sales leaders.

About Steven A. Rosen MBA

Steven is the founder and president of STAR Results.

Steven Rosen brings over 25 years' experience, both on the ground and in the executive suite, to his work with individuals and organizations to transform sales executives and managers into true sales leaders.



He is the author of ***52 Sales Management Tips: The Sales Manager's Success Guide***, and has been recognised as one of *Top Sales World's Top 50 Sales Influencers*.

When you hire Steven, you get Steven. He personally works with a select group of clients and their management teams to elevate them to greater personal and professional success. Steven knows sales — inside and out; he's been in the trenches and commanded the troops. Steven builds high-performance teams, mentoring senior sales executives and front-line sales managers to grow their businesses to new heights.

Steven has a fresh approach to corporate leadership, strategy development, execution and team building in the pharmaceutical and packaged goods sectors. His expertise in aligning sales and marketing initiatives to achieve key business results and exceed customer expectations has enabled Steven to continually exceed sales objectives from his days as a sales rep to his achievements as a VP of Sales for Alcon Canada and Biovail Pharmaceutical Canada.

Steven knows the types of challenges and obstacles you're up against. He's been there and broken through, and you can too. He is a high-energy and colourful speaker who will inspire your organization to realize STAR Results.

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Steven holds an undergraduate business degree and a Masters in Business Administration from Concordia University.

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Executive Summary

Sales organizations are experiencing unprecedented change. As sales decline and profits get squeezed, companies are finding it increasingly difficult to support large sales forces. Sales leaders are forced to find new ways of being more productive while using fewer resources.

Most companies have traditionally been very good in supporting sales reps with initial training programs, product training and ongoing skill development. However, the same companies have not made the same level of investment in developing their sales managers.

The purpose of the 2016 **STAR Sales Managers Development Survey** is to understand the priorities of sales leaders in the area of sales manager development. Our goal is to benchmark the importance and level of support sales managers are receiving with respect to five core sales management skills. Note we have added Leadership to the 2016 survey.

1. Coaching Sales Reps
2. Managing Performance
3. Hiring Top Performers
4. Business Planning/Acumen
5. Leadership

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Key Findings

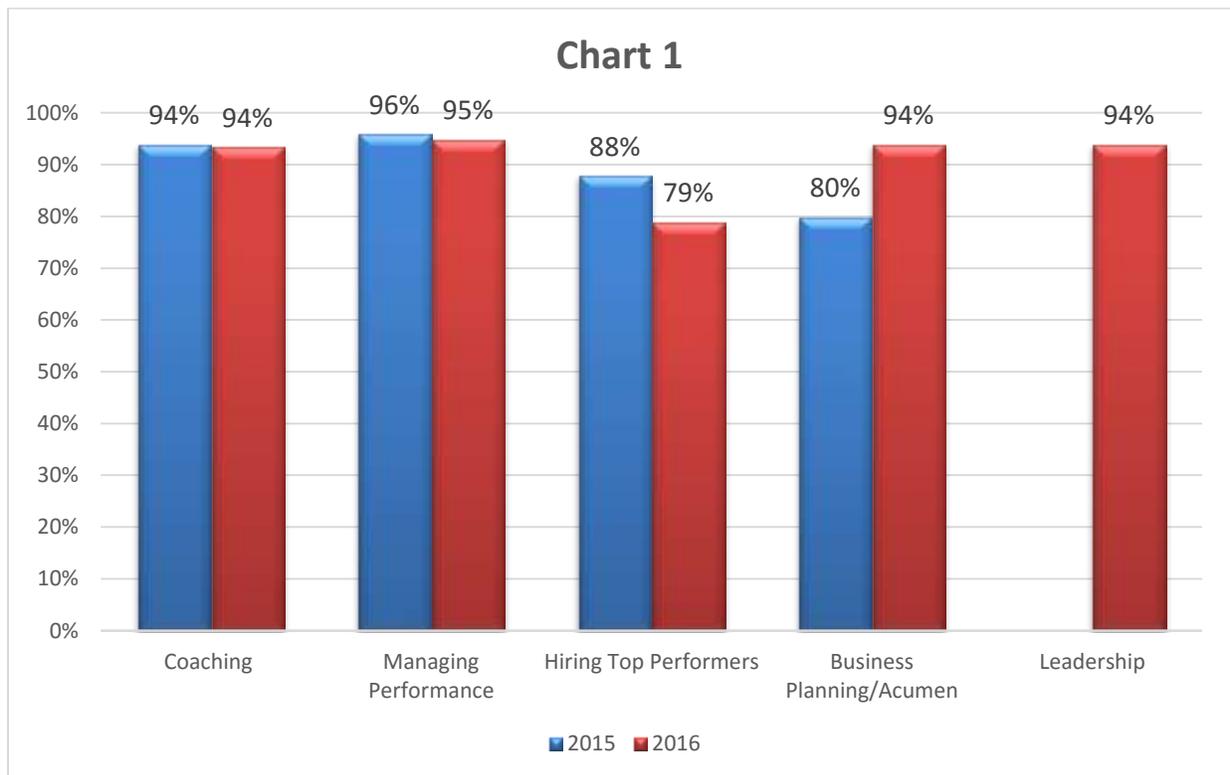
1. Similar to the 2015 results **only 48% of respondents agreed/strongly agreed that their organizations are providing ongoing development** for their sales managers. That means that the other half of the sales managers are not receiving any training and development! (Chart 4)
2. New in 2016 we wanted to understand what percentage of companies had highly effective and well defined sales processes. On average only **52% of respondents agreed/strongly agreed that their company had a highly effective and well understood sales process.** (Chart 6)
3. **For new sales managers, things got worse in 2016.** Only 32% of organizations had training to support the transition from sales rep to sales manager and only 23% of respondents agreed/strongly agreed that their organization had a formal process to evaluate the transition. (Chart 7)
4. Sales organizations place a significantly higher level of importance on **performance management** vs coaching, hiring, leading and business planning. (Chart 2)
5. There is a significant gap (30%) between how important respondents view each skill vs the level of importance their organization places on them.
6. There is a drop off in organizational support for hiring top performers which is offset by an increase in support for business planning and acumen in 2016 vs 2015.

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Sales Managers Responsibilities

The following chart represents the level of agreement on the importance of each of the core sales managers skills/activities.



The majority of respondents agreed/strongly agreed that the five core skills surveyed are highly important job responsibilities (79%+) for the front-line sales manager.

Coaching, managing performance and business planning were the most important responsibilities. Hiring top performers dropped in importance from 2015 to 2016 going from 88% to 79%.

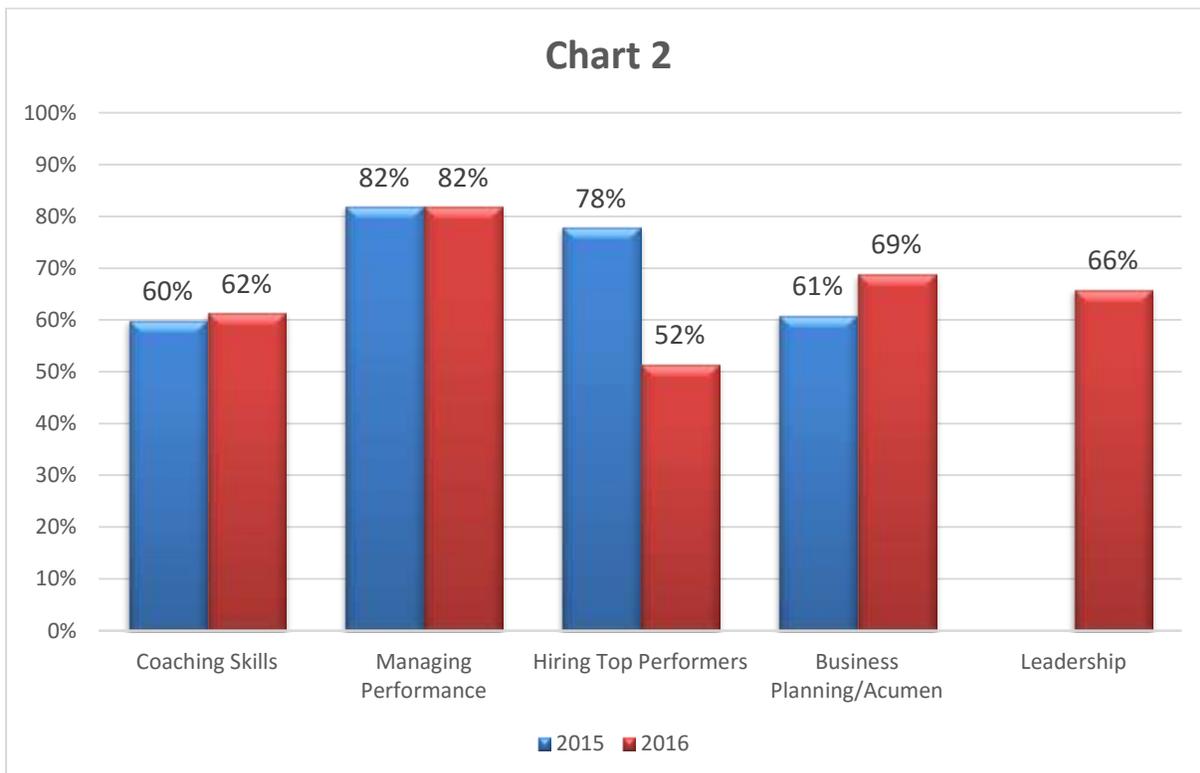
Conversely, business planning/acumen increased in importance from 80% in 2015 to 94% in 2016.

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Organization Recognition of Sales Managers Skill/Activity Importance

The following chart represents the respondents' agreement on the importance organizations place on each skill in the survey:



A majority of the respondents agreed/strongly agreed that their organization placed a high level of importance on managing performance at 82%, no change from 2015.

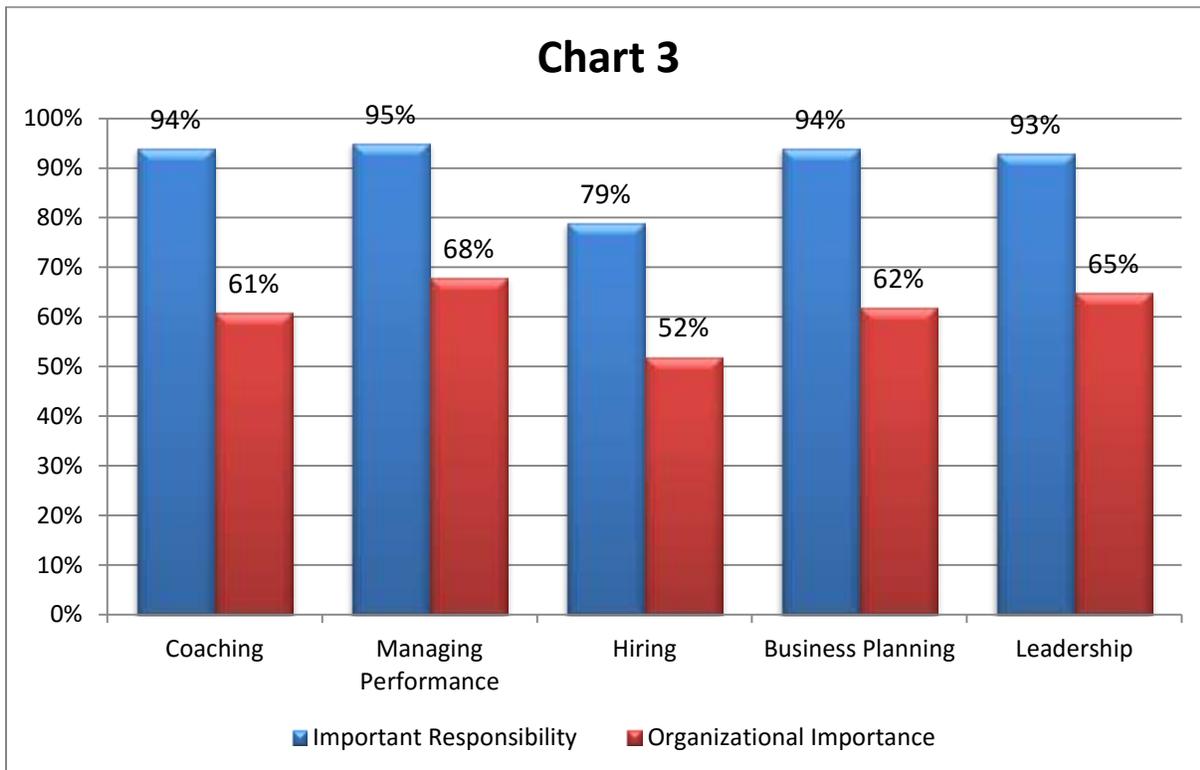
There was a significant decrease in importance in hiring dropping from 78% in 2015 to 52% in 2016. Business planning/acumen increased from 61% in 2015 to 69% in 2016.

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Sales Managers Responsibilities Vs. Organization Recognition of Sales Managers Development Importance

The following chart represents the relationship between the sales managers responsibilities and the organization importance of each skill/activity surveyed.



Respondents agreed/strongly agreed that each of the core skills were important for sales managers. When comparing that to the organizational importance there was a significant reduction in the level of agreement.

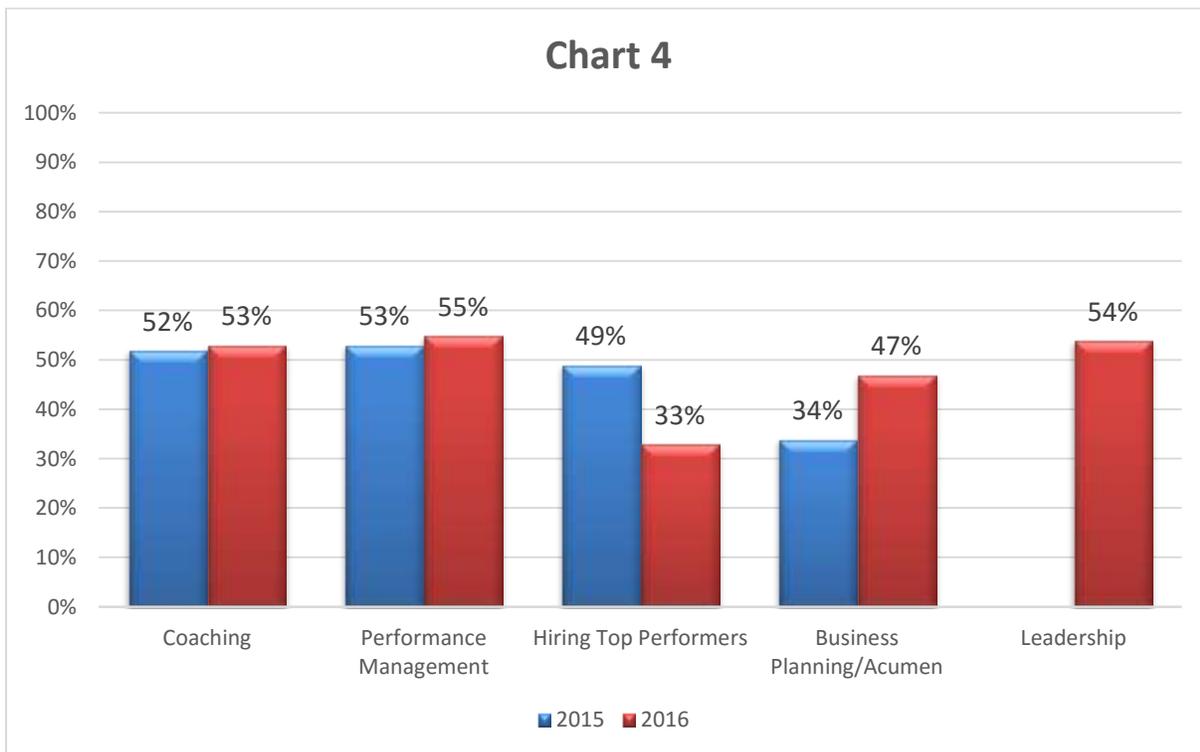
Hence as much as the skills are important, the organization puts much less importance on these skills/activities.

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Organization Support of Sales Managers Development

The following chart represents the level of agreement/disagreement sales leaders have on whether their organization provides ongoing skill development in the four core skills surveyed.



We saw similar results in 2015 and 2016 in organizational support for coaching and performance management. The level of organizational support for hiring top performers has dropped off in 2016.

Correspondingly there was an increase in organizational support for business planning/acumen in 2016.

The implication is that roughly half the companies are not providing ongoing support to improve core sales management skills.

Sales executives we spoke with agree that sales managers are critical to driving sales performance, however, it appears that they are not putting their money where their mouth is. As sales organizations evolve to a more customer focused business model, more decisions are

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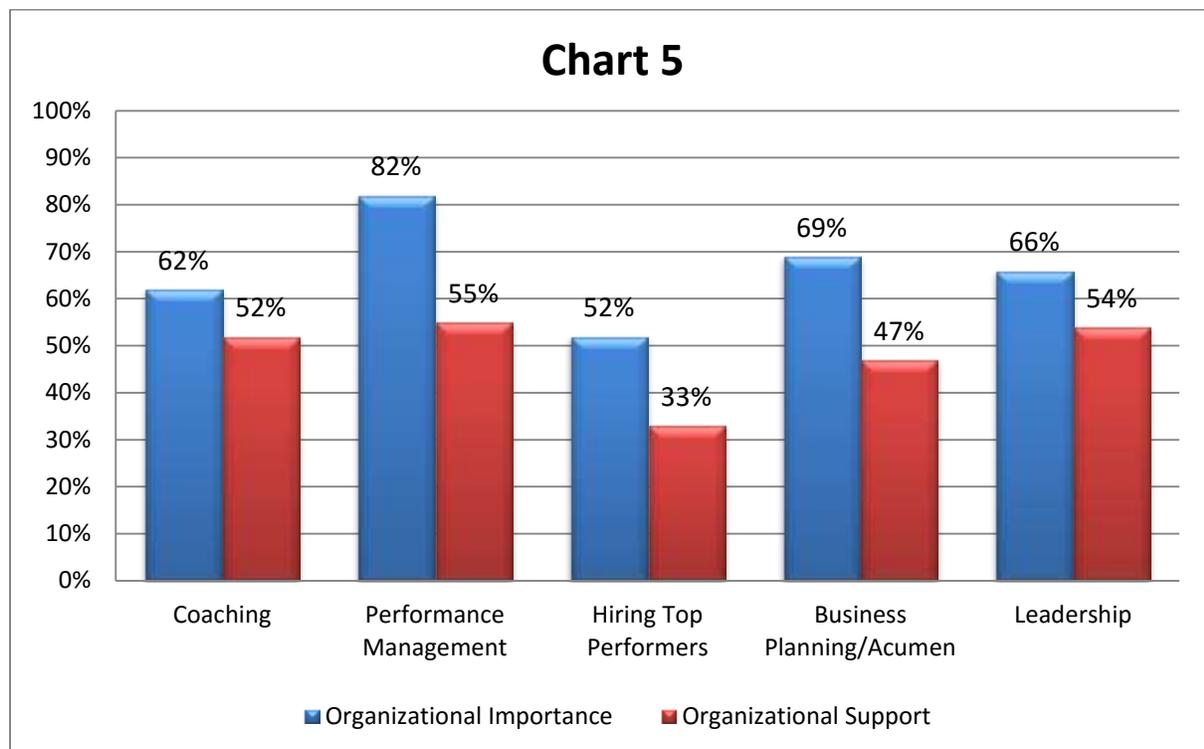
being made at the territory/customer level. As a result, the need for better trained front-line managers becomes even more critical.

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Organization Recognition of Importance Vs. Organization Support of Sales Managers Development

The following chart represents the relationship between the organization's recognition of the importance of each skill/activity and the ongoing support organizations are providing to the development of their sales managers.



There is a significant gap between the importance organizations place on each of the core sales management skills and the ongoing training support the organizations provide in these areas.

Across the board, organizational support of key sales management skill development falls terribly short. Half of respondents agreed/strongly agreed that their organizations are investing in the development of their front-line sales managers key skill sets. It's not surprising that organizations are not getting the most out of their sales teams and that managing performance will continue to be a challenge for managers.

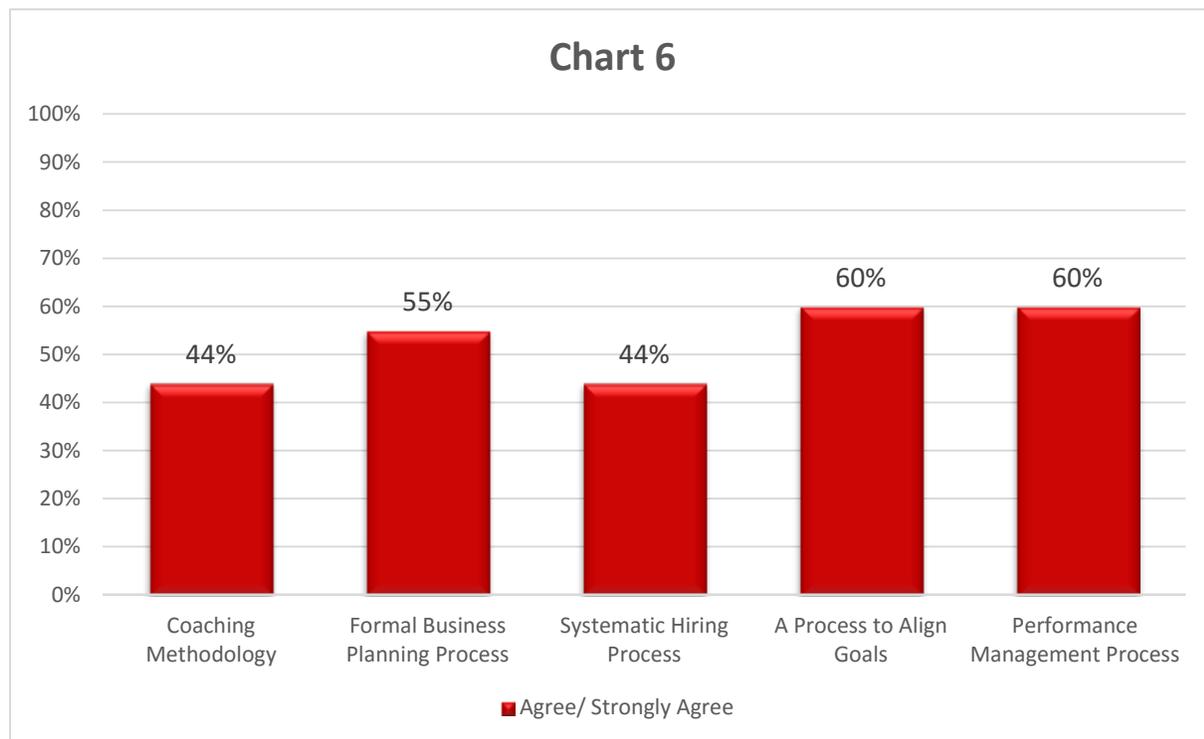
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Key Sales Processes

Question: Our Company Has Highly Effective and Well Understood

In this section we wanted to understand if respondents see their organization as having highly effective and well understood processes in the five core areas we surveyed.



Respondents indicated that 60% of organizations have highly effective and well understood processes for aligning goals (leadership) and managing performance. On the contrary 44% of respondents indicated that their organization had a well and effective and well understood coaching methodology and a systematic hiring process.

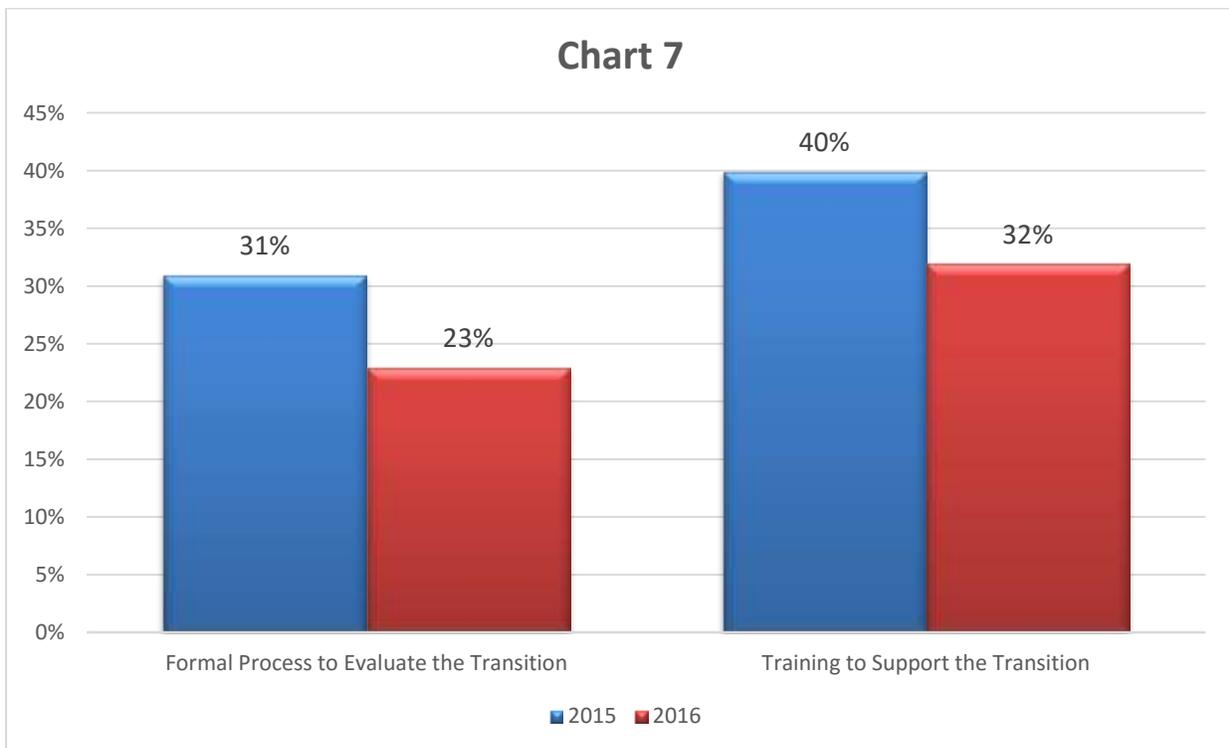
This gives us real insight to the challenges that sales managers face. With both a lack of highly effective processes coupled with a lack of ongoing training and support in these core sales management skills, many sales managers will continue to struggle.

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New Sales Managers Transition Evaluation and Support

The following chart represents the level of agreement on whether respondents' organizations have a formal evaluation process of the sales manager's success in the transition from salesperson to manager, and whether formal training is offered to the new sales managers making this transition:



Most sales organizations promote their top sales reps into sales management roles. Once promoted, a majority of sales respondent organizations do not provide training to support this transition. Also, a majority of respondents disagreed/strongly disagreed that their company has a formal process to evaluate whether sales managers have been successful in making the transition from sales reps to managers/leaders.

Directionally there was a drop off in support for new sales managers in 2016. This should raise concerns amongst senior sales managers and human resources as to the potential negative impact that poorly prepared/trained sales managers can have on their sales teams.

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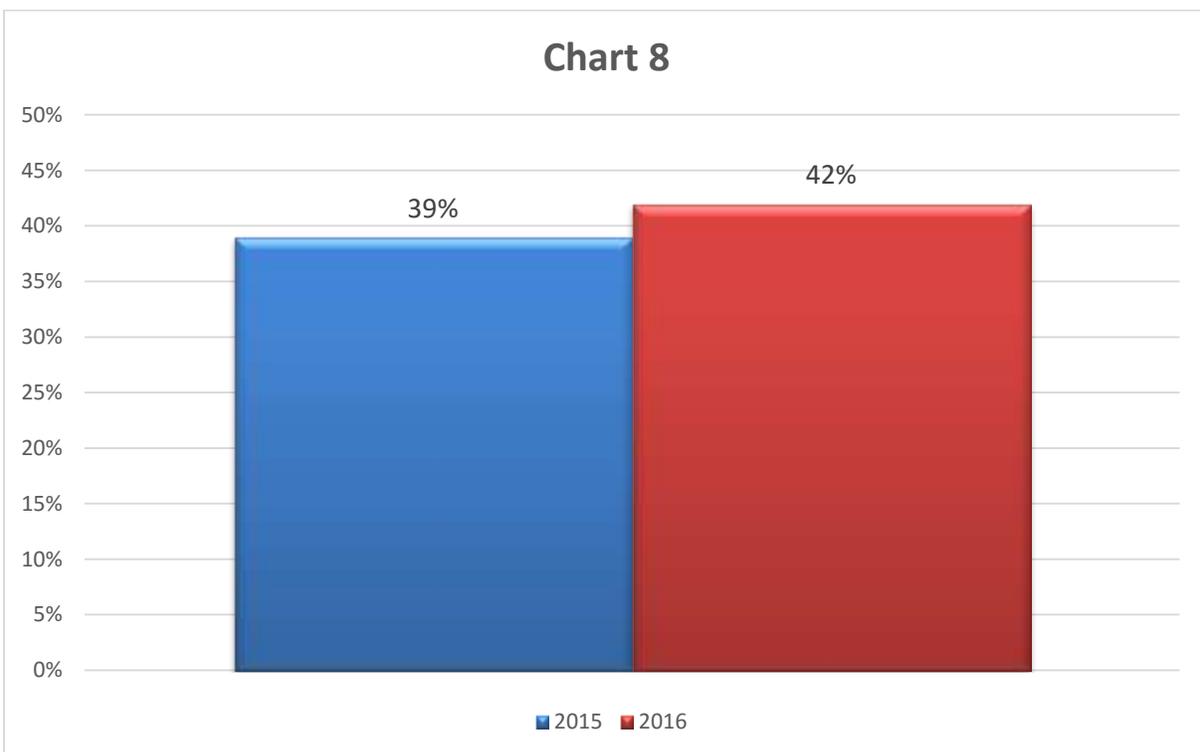
This may explain why many new front-line sales managers fail to perform and succeed in their new role. Companies that do not have sufficient internal resources to develop new sales managers should be looking to outsource this process. The first 90 days are critical for the success of a new leader.

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Dedicated Sales Managers Training Function

The following chart represents the presence of a dedicated training function in the organization to support sales management development according to the responses in the survey:



We saw a slight increase in the number of respondents who indicated that their organizations have a dedicated training function/resource to support sales management development in 2016. This is a positive step and we look forward to see if this increase continues in our 2017 survey.

Depending on how many sales managers a company employs, such a dedicated function may be considered too costly. However, given the importance of the front-line sales managers development, organizations should set up strategies and funds to support the ongoing development of their sales management team.

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Recommendations:

5 Strategies for Developing a Strong Sales Management Team

Resulting from the survey analysis the following five key strategies for sales managers development are recommended by STAR Solutions That Achieve Results Inc. to each sales organization:

5 Strategies for Developing a Strong Sales Management Team

1. Provide intensive support and feedback for new sales managers to ensure a smooth transition from sales rep to sales manager/leader.
2. Support tenured managers with ongoing education to promote continued skill development; do not assume that experience alone guarantees success.
3. Identify the critical competencies/skills required to be a successful sales manager and provide development initiatives to “sharpen the saw.”
4. Align your training initiatives with organizational priorities.
5. Outsource! If internal resources are lacking, be proactive and bring in outside expertise.

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Best Practices for Developing Great Sales Managers

Sales executives who are looking to develop strong front line sales managers should be warned that skills training without reinforcement fails to create skill mastery.

If your goal is to create sustainable and measurable improvements in skills that lead to improved sales results then you need to look beyond training.

The key is ongoing reinforcement over a sustained period of time to achieve true skill mastery. To ensure that your sales managers master key skills you need to take a more customised reinforcement based approach.

One of the key paradigm shifts is to look at development as a process. Reinforcement of learnings need to extend over six to twelve months in order to achieve permanent, measurable improvements in sales manager performance.

A 5 Step process includes the following elements:

1. Ongoing assessment and feedback
2. Blended learning
3. Reinforcement coaching
4. Reinforcement tools
5. Shared accountability

A sales trainer shared with me an experience he had with a training program he implemented.

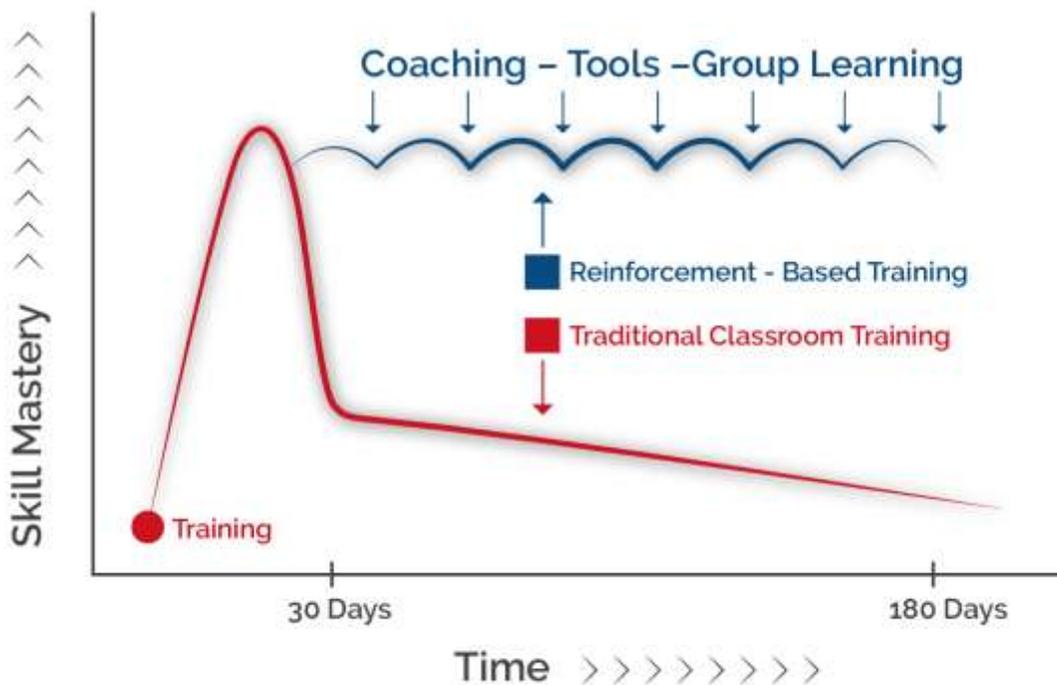
A couple years ago we brought in a top-notch coaching program. The sales managers loved the session. Afterwards, senior sales management found that most managers weren't using the new skills. One-year post training there was no noticeable improvement in coaching skills. I can't understand why such a great program had no impact on performance.

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The challenge with training (see red line below) is that 90% of learnings are forgotten within 30 days if they are not reinforced. It is essential to support learnings with coaching, tools and group learning as this will prevent the drop off in skill mastery. By providing regular reinforcement this eliminates the normal drop off and allows sales managers to master skills over a six month period.

STAR Sales Management Coaching Program Reinforcement - Based Sales Management Training

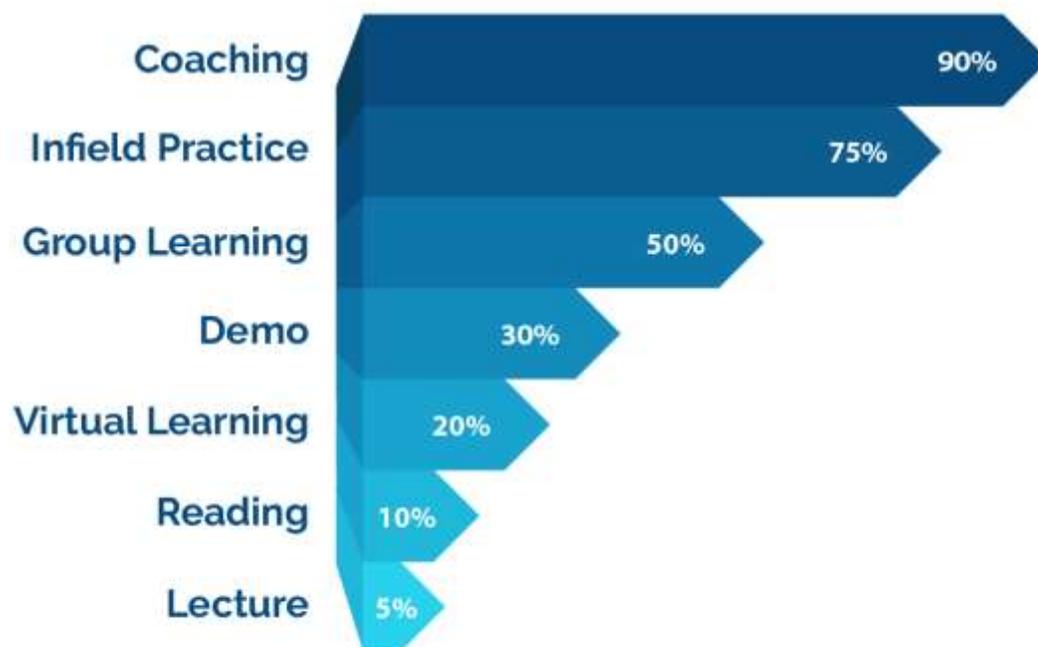


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Best practices dictate a blended learning approach to improve knowledge retention. 1 on 1 coaching has been shown to have the greatest level of knowledge retention and is key to enabling sales managers to master core skills.

STAR Sales Management Coaching Program % Knowledge Retention



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If you are interested in developing a team of STAR sales managers, please contact Steven Rosen at 905-737-4548 or at steven@starresults.com

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Appendix: Respondents Classification

The following tables represent the classification of the survey respondents:

Where are you based?	
North America	46%
South America	2%
Africa	10%
Europe	19%
Asia	18%
Australia	5%
Which industry are you in?	
Construction	3%
Consumer Goods	11%
Corporate	2%
Education	5%
High Tech	6%
Finance	3%
Manufacturing	17%
Media	3%
Medical	21%
Recreation	0%
Services	11%
Transportation	3%
Other	13%
Which best describes your role?	
VP Sales	17%
Business Unit Manager/Director	21%
National Sales Manager/Director	15%
Regional Sales Director	12%
Front Line Sales Manager	18%
Trainer	6%
Other	11%

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How many direct reports do you have?	
<5	35%
5-7	16%
8-10	26%
11+	23%
How many first line sales managers are there in your company?	
<4	39%
4-10	23%
11-20	13%
21+	26%
Which title best describes the person you report to?	
Regional Sales Manager	35%
National Sales Manager	16%
Business Unit Manager	26%
VP of Sales	10%
GM/Owner	13%
How long have you been in your current role?	
<1 year	26%
2-4 years	29%
5-9 years	26%
10+ years	19%