PharmSource®
PharmSource Information Services, Inc.
P.O. Box 8163 • Springfield, VA 22151 • USA
Tel 703-383-4903 • Fax 703-383-4905
info@pharmsource.com • www.pharmsource.com

3 Major Issues Facing Sales Management in 2011

By Paul McCord

Even as the economy slowly recovers, sales managers will be dealing with some tough issues in the coming year. Rather than getting easier, the improving economy may make managing the sales function even more difficult than it already is. Here are three areas that sales managers are going to have to work through this year:

1. **Improving marketplace, limited budget.** Although the market may be improving, the sales budget will still be on life support. How can you aggressively attack when you don't have the resources you need?

   Time management will be key to turning up the heat on sales while dealing with limited resources. First, cut out all extraneous activities and meaningless busy work for both your salespeople and yourself. Concentrate completely on finding and connecting with quality prospects. Sellers should be in the field, not in the office. Meetings and reports should be held to a minimum.

   Next, encourage salespeople to purge their pipeline of deadwood and to focus only on real prospects. In a strengthening market you cannot afford to have your sales staff waste time and energy on non-prospects.

   Remember to encourage your salespeople to revisit their clients and seek referrals. Referrals are not only the most cost effective lead generation strategy, if your sellers learn how to ask for introductions to specific prospects that they know they want to connect with and that they know their client knows, referrals can become your central growth strategy in 2011.

2. **Pressure to Increase Margins.** As the marketplace improves, senior management will be demanding not only that sales increase, but that the profit margins on those sales increase also.

   Unfortunately, many of your competitors will be more than willing to cut margins to the bone just to land business. Do you get into a price war just to get business or do you concentrate of high margin business?

   The decision may not be as easy as it may seem since senior management will be demanding high margin and increased sales–in an atmosphere where price cutting is rampant by competitors. It may seem that their demands are unrealistic–and the pressure to increase sales will be very, very real.

   Do you go for sales or profitability? Can you really do both? Yes, you can. In order to see an increase in both sales and margins you must concentrate on high quality prospects while offering them more value than your discounting competitors. OK, that's obvious. So, how do you do that?

   Don't just sell a solution; turn your solution into dollars in your client's bottom-line. Where most of your competitors will sell a solution to an issue, you must convert your solution into dollars–what is the bottom-line value of your solution to your client? How much will it save or make for your client?

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As discussed above, concentrate on high quality prospects only. If you want prospects who are seeking quality solutions, not cheap solutions, you must be highly discriminating in where you spend your time and effort. Define in detail who your ideal prospect is and concentrate your time on finding and connecting with them rather than blasting away with a shotgun at anyone who breaths.

3. **Working with Remote and Semi-Remote Salespeople.** More companies are hiring sellers who either work remotely from home or only come into the office when necessary. Developing and cultivating a relationship with these sellers has always been difficult for sales managers and that will only become more of an issue as the number of remote and semi-remote sellers increases.

   Whether your sales team is housed in your office or is remote in whole or in part, coaching them is one of your primary responsibilities, and in order to do that you must understand their strengths and weaknesses, as well as how to work and communicate with them. Unless you really understand where your sellers need help, you can't maximize your coaching and managing efforts. Rather than relying on your gut feelings or the salesperson's personal analysis of their needs, employing a 360 degree assessment tool (such as the Halogen e360 Multirater) will not only save a great deal of time, but give far more useful and accurate information that will allow you to both strengthen your relationship with your sellers and to focus on the real coaching needs of each individual in your sales team.

   As the economy continues to improve, companies will begin to add salespeople to their sales team. Quickly determining these new seller's strengths and needs will be even more critical as management will demand you get them up and productive as soon as possible, making assessment tools even more valuable and putting even more demands on your coaching time.

   2011 will be a year of growth opportunities–but the very growth companies have hoped for will create demands on sales management that will be more crushing than they experienced during the business decline of the past three years. For those managers who are prepared to address the upcoming issues, although it will be a difficult year, it can be a highly successful one.

About the Author

Author, speaker, trainer, consultant, and one of the country's leading authorities on prospecting, referral generation, and personal marketing, Paul McCord has had a distinguished career in teaching, sales, sales training, and sales management. The President of McCord Training in Midland, TX, Paul also is the author of Creating a Million Dollar a Year Sales Income: Sales Success Through Client Referrals, Superstar Selling: 12 Keys to Becoming a Sales SuperStar and Bust Your Slump: A Dozen Slump Busting Strategies to Fill Your Pipeline in 30 Days, as well as numerous articles. He can be reached by phone at 1-432-853-8685 or by e-mail at pmccord@mccordandassociates.com*. Visit his company's web site at* www.mccordandassociates.com.

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