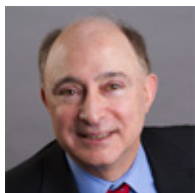




Sales Managers Must Manage



Probably the most common complaint I've heard throughout my career from C-level executives about their sales colleagues concerns the latter's ability to manage, not sell.

As one senior executive puts it, "I want sales executives: people with one eye on a sales number [and] another eye on serving a market, making customers successful, and representing the company." The complaint concerns sales managers' inability or unwillingness to embrace this role and "own the business" as well as the top line.

Nearly every firm has examples of successful salespeople who are poor managers because they persist in their behaviors as reps rather than managers. There are inherent challenges in selecting and developing sales managers. Moreover, multiple factors are making this a bigger, more visible issue with implications for building and sustaining a career as a sales executive.

What Sales Managers (Should) Do. Frontline sales managers hire reps and influence their training, organize and allocate efforts across market opportunities, conduct (we hope!) performance reviews and so reinforce good or bad selling behaviors, and when other functions need

something from sales, it's the managers they contact. In most firms, sales managers are the primary means by which strategy does or doesn't get executed.

This crucial role gets mixed reviews. Studies find that, in the short term, excellent reps with an average manager outsell average salespeople with an excellent manager. But over time, people working for an average manager tend to decline in performance. Why? Many of the best reps get promoted, retire, or otherwise leave and, as the saying goes in talent management, "First class hires first class, and second class hires third class." In addition, an excellent rep is excellent within his or her territory while a manager has, for good or ill, more influence across multiple areas and customers. Research also indicates that—across functions, including sales—first-line management is the level from which come the most reports of incompetence, burnout, and turnover. Here, the relevant and abiding aphorism is that "People join companies, but they leave managers."

Moving from doer to manager is difficult in any circumstances. You move from being selected—typically for outstanding performance in the doer role—to being the new person in the management hierarchy who does not know the ropes. This transition even has a clever academic label: “heap reversal theory.” In sales, you must do this while learning about your people, judging their diverse strengths and weaknesses, performing administrative tasks, and making the numbers. As another executive says, “A good salesperson closes a deal, makes a commission, and moves on to the next deal. A good manager, on the other hand, sees the bigger picture and can judge the best way to use resources.”

What It Takes. You can’t just excel at sales to be a good sales manager. Yet, that’s precisely how most companies select new frontline managers. For this reason, some consultants believe the answer is to change these selection criteria. Proponents of the so-called “challenger” sale, for instance, assert that “this approach to hiring is the root cause of many organizations’ high manager failure rates.” But choosing salespeople as sales managers is not just habit or an ignorant disregard by operating executives of what is “obvious” to consultants. It reflects organizational and human realities.

A key responsibility of sales managers is to provide opportunity by allocating prospects or territory assignments and establishing quotas. This allocation affects what salespeople do daily, their performance benchmarks, and their pay—how they are evaluated and how well they eat. Organizationally, this requires people who already know the relevant selling activities. Interpersonally, it’s difficult to develop the credibility required for candid performance reviews, necessary customer reallocations, compensation decisions, and other vital sales matters if the new manager has not demonstrated selling ability. The novels of Tolstoy and Joseph Conrad, the trial-by-fire memoirs of leaders across fields, conversations in hallways during sales meetings, and numerous studies of

management development all testify to the explicit and implicit testing of new people in these roles—as in other situations where some people must make tough decisions about others.

Selecting salespeople to be sales managers is not stupid. It’s how the selection is made, the criteria used, and what happens before and after the promotion that determines managerial effectiveness. But sales manager is not just a bigger sales job—for the individual and for the company. It occurs at a pivotal point in a career and represents both a reward for past performance and a bet on a person’s potential contribution to the managerial hierarchy. And there’s always a hierarchy, despite casual clothes, bicycles hanging from the ceiling, and the other now-standard signals of company cool.

And Today It Takes More. Years ago, John Miner devised a series of tests to measure “motivation to manage.” A key part, as Miner explained, is a “sense of responsibility in carrying out the numerous routine duties associated with managerial work. The things that have to be done must actually be done. They range from constructing budget estimates [to] filling out employee rating forms and salary change recommendations. . . . To meet these requirements, a manager must at least be willing to face this type of routine.” In other words, the test of a vocation is love of its drudgery.

Meanwhile, other factors are increasing managerial complexity in sales. Data analytics affect what is needed to do the job and keep the job of sales manager in more firms. Similarly, both selling and sales management are increasingly reliant on coordinating a network of connections within the firm and with channel partners. Developing these capabilities is a joint responsibility of the individual manager and the organization. ■

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