

# Sales Management Is About More Than Just Numbers



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How can it be 2017 and there are still retail showrooms without a person dedicated to, and responsible for, their sales initiatives? BY MARK OKUN

The title “Sales Manager” sounds like a vague moniker considering it is describing the most influential person affecting your sales team. If a Sales Manager is going to have the impact needed to drive business, then the functions of this significant role must stand ahead of any other associated duties or tasks they may have been assigned. After all, one of the first traits a good Sales Manager will have is the ability to prioritize their sales-related efforts.

The objective of this article is to address the characteristics that comprise a Sales Manager’s role in a showroom, or as part of an agency, or on a vendor team. Each of them is facing the challenges of today’s selling climate.

#### TO MANAGE OR NOT TO MANAGE

Leading an active sales team goes beyond being a nice person and having a good working relationship with the folks on the team. It means you must set expectations and then manage the outcomes of actions to reach the desired goals.

To increase the amount of positive results, the Sales Manager must have time to supervise staff activity and track the critical metrics. The reason is twofold: the first is to make sure the team is fulfilling the established responsibilities for reaching the goals of the business; the second part is that the Sales Manager is in the game with their team, leading from the front. The days of a showroom Sales Manager being locked away in the office are distant memories.

The Sales Managers who will be the most compelling to their companies as we move into 2020 will be those who focus on the productivity of their staff, those who listen and observe staff and customer interactions and are able to give immediate feedback on performance, plus diffuse any

escalating situation or help close a sale.

Pardon the electrical pun but, “Today’s sales manager is the conductor of the sales energy in the environment they are in.”

#### MANAGE METRICS

The metrics we look at to indicate performance are more important than ever. It is the little details that can make a big difference at the end of a month, quarter, or year. Which metrics have the most influence? You do not need to invest in a costly CRM or other digital tools. In fact, if you have not done metric management, then like math, it is better to learn it long-hand before you try short cuts. All you need is paper, pencil, and a spreadsheet.

#### THE NUMBERS

There are several metrics that are foundational. The first is based on total store traffic – or in the case of a rep, the number of calls made. For the showroom, it is as simple as adding a door counter and logging the numbers in the morning and the evening, subtract one from the other and divide by two, giving you the total number of people who have walked in. For the agency, it is the entire number of calls made by the team.

I realize the mailman, pizza delivery guy, and other employees walking through the door get counted. This is not meant to be the “true” count of customers; it is only the number of door swings to provide a constant to use for the math.

Using the door counts as a base line puts all team members on the same playing field. Let’s say, the door count for “MY Lighting” is 128. Using the formula  $128/2=64$ , 64 is my base number for that day. Accumulate totals for the week, month, or quarter to establish a base number for that period.

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“You manage things; you lead people.”

—Admiral Grace Murray Hopper

**EFFICACY**

When calculating the second metric, efficacy, take the number of daily, weekly, monthly, sales/ (base number from door swings or sales calls) x 100 (see chart below).

This tells you that compared to the store’s average efficacy; Mary is even, Sue is above average, and Frank is below average. When the numbers are above or below average, it is an indicator to look deeper. As a manager, you can’t make assessments based on one metric. At first glance, it appears that Sue is the leader with a high number of sales. It is only when we put the numbers together with other critical metrics that we establish a starting point to evaluate individual performance.

**AVERAGE SALE**

The next performance metric is “Average Sale,” which is an individual’s total sales volume/number of sales. The Average Sale is the figure that gives efficacy additional meaning. Showrooms have many products from simple replacement lamps to full-blown house orders. This variance of merchandise price points must be noted as part of the sales management process. If the showroom had 50 sales for the week totaling \$25,675, this means the average sale is \$513.50.

If Mary had 15 sales totaling \$5,750, that gives her an average sale of \$383.34. Mary’s sales average is \$130.16 below the store’s average, yet she has an efficacy rate of 4 percent equaling the store’s rate. What to do? Work with Mary on

strategies to increase her average sale by presenting better goods first and growing side sales of bulbs and accessories.

Sue killed it with 23 sales totaling \$13,823 with an average sale of \$601, showing she is attentive to customers in need of help, and her average sale was higher than the store’s average. If Sue is consistently performing well, discuss what she does in her sales process that may help others.

Frank had 12 sales for a total of \$6,102 – an average sale of \$508.50. It is not far from the store’s average sale, but it’s below the efficacy number. Based on these figures, increasing Frank’s average sale is the small objective while increasing the number of customers he sees is the bigger goal.

The simple rule of measurement applies to other aspects of the business; product category, side sales, follow up sales, items per purchase, and more. The idea is to keep your metrics simple and limited. Do not try to measure everything, only measure what will help reach the intended goal.

**THE PEOPLE PART**

There are so many plates to spin when keeping a sales team motivated and focused on a common objective. It is no small task, and focus may be the singular most important function that the sales manager does day to day. Foster an atmosphere that rewards interdependent working relationships to encourage the team to provide maximum service levels.

FOR THE WEEK	
<b>The Store</b>	(50 sales / 375) x 100 = (13.34% / 3 team members) = 4.02%
<b>Mary</b>	(15 sales / 375) x 100 = 4.00% of the door count. Sounds small, but this is a comparison number, not a “personal closing rate.”
<b>Sue</b>	(23 sales / 375) x 100 = 6.13% of the door count
<b>Frank</b>	(12 sales / 375) x 100 = 3.20%

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**STAFF DEVELOPMENT**

There are many ways to build your team, and based on experience I have found the following process and sequence of actions will aid in building your team.

Staff development requires dedication; it is not a once a year, quarter, or even once a month interaction. To see favorable results in an acceptable timeframe, it takes daily effort.

In many businesses, they call staff development meetings “training” or “coaching” and not what it is: education. There is a big difference when you switch the words around.

Development meetings are critical to communication, and communication is the keystone. Meetings, at a minimum, must be scheduled once a week. This way everyone knows they should be there. Along with weekly sales meetings, hold “impromptu” meetings daily because information is often time-sensitive.

Structured weekly meetings provide a platform for sharing the previous week’s successes and challenges, re-focus the team on their overall performance goals, and helps to practice a skill builder that makes them better at their jobs.

Training is about introducing or teaching skills and actions. This is typically done in a formal,

structured way. You can train people to do things like email or learn an enterprise program. Training methods work well for new people or when new parts of a job must be learned. When using training alone, most of what is being trained is forgotten, and that is why there is coaching.

Coaching is about the ongoing effort it takes when building the team members’ skills and increasing their knowledge. This is all based on individual performance. Coaching is typically a one on one effort and is a combination of formal (set meeting) and informal (immediate feedback) conversations.

We’ve discussed internal ways to develop staff; however, the final area of staff development comes from outside your business. Let’s call it “professional development.” It is about learning new skills and ways to improve our jobs. The education available today is only limited by your motivation to learn.

You may want to increase your understanding of “Emotional Intelligence” or your organizational skills. Whatever your growth goal, there is a way to learn more about it. As a Sales Manager, you are the principal mover and motivator in your company. It is your job to make it functional, productive, and prosperous. Good Selling! ❖

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