

The Wholesale Distribution Sales Executive

Wholesale distribution sales executives are called by many different titles. Most commonly, they are simply called sales managers. However, the person filling this role may also be called vice president/sales, director of sales, sales lead, branch manager, and so on. In smaller distributors, the sales manager's role may be handled by a general manager, president, or even owner. Whatever the title, the sales executive is the person most often charged with making things happen at the distribution company. While “growing the top line”—creating sales—is the most commonly perceived responsibility of sales executives (this book will use the term sales manager from here), there are typically several measures of performance for distributor sales managers, including:

- ◆ Total sales and sales growth
- ◆ Gross margin
- ◆ Sales by product line
- ◆ Sales of premium products
- ◆ Manufacturer/supplier sales quotas
- ◆ New accounts
- ◆ Account retention

- ◆ Penetration of existing accounts
- ◆ Sales force effectiveness (measured as average sales per salesperson or per distributor employee)
- ◆ Sales expense control—including sales force compensation
- ◆ Sales department total profitability.

Whether explicitly delineated as objectives or implicitly understood, each of these areas plays a key role in how distributor sales managers work to meet company expectations. The distributor sales manager must meet these objectives by leading, managing, and coaching some of the most independent-minded people in the industry—wholesale distribution salespeople. And, in some situations, sales managers are charged with the additional responsibility of personally selling and managing certain key accounts (more about this in chapter 1).

Successful distributor sales managers must focus on individual salespeople—both outside and inside salespeople—while simultaneously leading the sales team as a unit.

A comprehensive, though not exhaustive, list of skills required for wholesale distribution sales managers is shown in exhibit I-1.

This book focuses on three skills for managing individual salespeople and three for leading the sales team. Each of these skills will be covered in a separate chapter. These skills were chosen because they are the frontline, building-block skills for wholesaler-distributor sales managers. Each of the skills remains relevant, even with the blur and pace of new communication and computing technologies. Also, they are often ignored in the rush to implement new technology. Here's a preview.

Skills for Managing Individual Salespeople

1. How to conduct sales planning with individual salespeople

Wholesale distribution salespeople often resist planning—they just want to go out there and sell. However, without individual sales objectives mutually agreed upon and committed to by a salesperson and sales manager (instead of assigned quotas), a plan to achieve them, and an

Exhibit I-1. Important skills for wholesale distribution sales managers.

- Recruiting and selecting salespeople
- Sales planning with individual salespeople
- Sales skills training
- Coaching and counseling individual salespeople
- Evaluating salesperson performance
- Conducting effective sales meetings
- Managing the proposal pipeline
- Focusing on, evaluating, and selling large-order opportunities
- Structuring and managing sales support staff
- Structuring sales territories
- Structuring sales compensation
- Building an overall sales department forecast and plan
- Creating a marketing structure to support the sales force
- Managing suppliers
- Building a sales team and team environment
- Providing leadership
- Creating a sense of forward motion

interactive planning process, it is difficult for sales managers to monitor salespeople's progress—or influence, encourage, and support their sales activities. Chapter 2 will discuss how to overcome the reluctance to plan, show how to conduct an interactive sales planning process with salespeople, provide a template for an annual sales plan, and suggest how to use the plan to provide direction throughout the sales year.

2. How to provide sales skills training

Wholesaler-distributors and their manufacturer suppliers typically engage heavily in product training for salespeople. But product knowledge is not a sales skill; it is simply product knowledge. Sales managers should focus on giving salespeople the skills needed to use that product knowledge effectively so they can actually *sell* customers—rather than just tell customers about the product. The goal is effective *salespeople*, not

walking, talking product brochures. Chapter 3 presents a template of eight sales skills/knowledge areas that sales managers can use to provide holistic sales skills training. It also focuses on the benefits of adopting a company-wide sales process model, discusses what a sales process model should include and how to choose one, and gives methods for training and coaching to the model.

3. How to coach and counsel salespeople

With a sales plan in place for each salesperson, a sales skills training template, and a company-adopted sales process model, wholesale distribution sales managers can effectively coach and counsel individual salespeople and reinforce the sales process model. This involves making sales calls with salespeople (or spending workstation time with inside salespeople) and following these calls with coaching and counseling sessions. Chapter 4 gives a step-by-step process on how to do this.

Skills for Leading the Sales Team

1. How to conduct effective sales meetings

Too many wholesaler-distributors have “anti-sales meetings.” These are called sales meetings, but they deal with mundane administrative matters, provide product knowledge in a mind-numbing nuts-and-bolts presentation, discuss how to deal with sales technology, or berate the sales force or individual salespeople for not meeting objectives. Chapter 5 discusses the basics of sales meetings that are actually designed to increase sales and gross margins and move the sales team forward. It includes a template for regular sales meetings, a list of do’s and don’ts for sales meetings, and information on how to conduct product training in a way that reinforces sales skills training.

2. How to build a sales team and a team environment

Wholesale distribution salespeople have traditionally seen themselves as “Lone Rangers”TM—individuals blessed with a sales personality, armed with product knowledge, tracking down customers and sales.

And, often, sales managers have reinforced this perception. Chapter 6 defines the wholesaler-distributor sales team, discusses how the concepts of sales team and team building benefit both the individual salesperson and the company, and provides specifics for sales managers to build and reinforce sales teamwork.

3. How to provide leadership, not just management

In challenging economic times, *leadership* by sales executives can be just as important as *management*. What is the difference? How can wholesale distribution sales executives be leaders as well as managers? Chapter 7 includes discussions of the importance of attitude, maintaining standards, communicating up as well as down, handling problem issues, “taking heat,” and dealing with salespeople as individuals as well as team members.

Frontline Skills

In addition to the skills focused on the individual and the team, this book deals with three additional, vital “frontline” distribution sales management skills.

1. How to focus and evaluate—and succeed—with large order opportunities

Distributors often “make or break” their year with the sale (or not) of a few large orders or contracts. They may chase a large order and lose it, consuming valuable time and resources in a lost cause; or they may sell a large order, only to get into trouble by overcommitting, low margins, poor order follow-through, or failing to define completion.

Chapter 8 discusses the role of sales management in identifying, qualifying, selling, and following through on big orders. It includes a large-order qualification template to help sales managers decide when to commit significant resources to a large-order opportunity—and when not to.

2. How to manage key suppliers

Wholesale distribution sales managers must not just establish good distributor/manufacturer relationships, they must actively *manage* key suppliers to help meet their company's and sales department's objectives. Distributors provide the interface between their customers and manufacturers. Sales managers must work to leverage manufacturer resources, influence product design, encourage distributor-friendly policies, demand appropriate customer service—and, yes, get better discounts! Chapter 9 gives specifics of actualizing this proactive manufacturer management mindset.

3. How to be a catalyst for forward motion

As mentioned earlier, wholesale distribution sales managers have many objectives and performance measures. These are all directed toward an overarching function of their job: whatever the economy, whatever the technology, whatever the product lines, whatever the sales force composition, wholesaler-distributor sales managers must be catalysts for forward motion in their companies. The focus of chapter 10, and indeed of this book, is to help enhance wholesale distribution sales managers' skills and focus to be that catalyst.

Marketing and the Sales Manager

Traditionally, marketing has not been one of wholesaler-distributors' strengths—nor is it a common responsibility for the industry's sales managers. Distributors' attitudes are often similar to that of George S. Appleton III, leader of the Federal Weight, Scales, and Computing Company in Thomas Wolfe's classic 1940 novel, *You Can't Go Home Again*. Each year, standing before "...the assembled members of the sales organization at their national convention..." Appleton would point to a map of the United States that covered a wall and say: "There's your market! Go out there and sell them!" (p. 123). This implied it was the salesperson's job to both find the customers (prospect) and sell them. That remains the approach of many wholesaler-distributor general managers and sales managers today. "Prospecting—that's what

we hired salespeople for,” is heard time and time again from distribution management. However, deferring prospecting to salespeople is an ineffective, high cost way of doing business in today’s wholesale distribution sales environment, where customers hide from salespeople with voicemail and other methods, where distributors are often operating with dramatically reduced sales forces, and where customers do extensive research online before ever summoning a salesperson (and customers *want* to do the summoning these days). Another factor in the prospecting equation is that salespeople who are excellent at working with customers, building relationships, and closing deals are often ineffective as prospectors—and vice versa. In some sales organizations, they are even distinguished by different names: “hunters” for salespeople effective at prospecting and “farmers” for those who know how to turn sales leads into sales.

There is a more effective approach for wholesaler-distributors: to design marketing programs (heavily, but not exclusively, involving their Web sites and using search engine marketing and optimization) that *provide qualified leads to outstanding and well-trained, -managed, and -led salespeople*. Another approach is to terminate the worst salesperson on the staff (or even the bottom two), use a portion of that money to fund effective marketing, and provide qualified leads to the remaining, performing salespeople.

Marketing for wholesaler-distributors is the subject of other books. However, wholesaler-distributor sales managers should—while developing the skills in this book to improve the effectiveness of their individual salespeople and sales teams—provide input on their company’s marketing programs, with two primary objectives:

- ◆ Providing their salespeople with qualified leads
- ◆ Supporting their salespeople’s proposals with marketing tools that help salespeople justify higher prices, resulting in higher gross margins.

In this scenario, sales managers are challenged to manage the lead pipeline and hold salespeople accountable for maximizing results from

those leads. Sales managers should also hold salespeople accountable for building and continually updating their customer contact information (database) for use by their companies in marketing projects aimed at generating those leads. Just as sales managers and wholesaler-distributors should not delegate the primary prospecting responsibilities to salespeople, sales managers should not ignore marketing.

Management—An Action Word

Sales management is one of the most intense activities in wholesale distribution. *Management* in the sense used in this book is an *action* word. To convert management to action, distributor sales managers should conduct sales planning, teach sales skills, coach salespeople, conduct effective sales meetings, build a team environment, lead the sales team, focus on large-order opportunities, manage suppliers, and move the organization forward. Distributor sales managers cannot wait for things to happen—they must make things happen. This book gives distributor sales managers *actionable* tools to do just that.