Ten Fatal Mistakes
Sales Managers Make

by Mike Hays

(Editors note: Mike Hays is co-chair with Gwen Mooney of Naked Sales V: The 5 Commandments of Sales. The following is excerpted from his talk at this year's Naked Sales conference. Naked Sales V will be January 16-17 at the Royal Sonesta Hotel in New Orleans, Louisiana. For more information, go to www.icfa.org, or call the ICFA at 1-800-645-7700.)

We can be thankful that most mistakes are not fatal. But most of us have realized a setback, a costly delay or some other kind of loss as a result of simple mistakes or errors, omissions or fear. Here is a “top 10 list” of the common errors or omissions made by sales managers.

10. Starting the Day Without a Plan. One of my heroes is Don Shula, the legendary coach of the Miami Dolphins. When Don Shula took over the Dolphins in 1970, one of the first questions a Miami Herald reporter asked him was, “Coach, what will be your three- to five-year plan for the team?” Shula answered, “My plan will be day by day.”

Don Shula also became famous for this quote: “I think goals are overrated.” Isn’t that interesting? Does that mean Don Shula didn’t have a long view? I think certainly not. Am I saying that long-term goals are worthless? Absolutely not. But I think it’s important to realize that long-term success is made incrementally, and if you start any single day without a specific performance plan, you make a big mistake.

9. Not delegating. It’s amazing that so many of us in the field of sales management are completely bent toward the “do it all” syndrome. As a manager of sales managers, I see guys every day who are hell bent on doing things that another member of their team can do better than the sales manager.

8. Not being open. You can certainly...
debate this one with me, but it’s my opinion that there’s much to be gained by being more open with our financial information with our employees than we’ve traditionally been. At Keystone Advance Planning, we’re betting the farm on this.

It’s not a new concept—John Case wrote his best-selling book, “Open Book Management,” six years ago—but you should know before you try this that open book management in its purest form is a compensation philosophy. You have to be willing to show your financial nakedness to everyone in the group. You have to show them your margins, and whether they’re thin as paper or as broad as the sky, you then say to them, “If you can help us to improve these margins, you can share them.”

It’s a pretty exciting and motivating concept for employees, and that’s why I think it’s a mistake not to investigate it, at the very least. Chris Lee of Training magazine calls open book management “lightning in a bottle,” and I don’t know a single sales manager who couldn’t use some of that.

7. Taking training for granted. This is a no-brainer, but how many family service counselors don’t make it in our profession because sales managers just don’t create the capacity to do an effective job by providing them with training? Successful sales managers know that you cannot short-cut. You have to invest in quality training, and that means being available, being organized, being there to demonstrate every single step in the process.

6. Not having effective meetings. Have you ever heard the old axiom that a meeting is no substitute for progress? Of course you have. It’s never been truer than it is now. But a lot of progress can be made at meetings if they are very well organized and expertly facilitated.

5. Losing center. Dr. Donald Wedmore writes a great deal for an organization called the Productivity Institute. He points out seven vital facets of life: health, family, financial, intellectual, social, professional and spiritual. You’ve heard variations on this theme.

It’s a funny business we’re in; I love it. There’s something about being taken into the intimacy of a family circle and being given the privilege of helping a family make difficult decisions on a very difficult day. Helping shield their loved ones from those decisions. Helping families create meaningful memories that will provide healing and hope for the future. I get lost in that effort, and if you’re worth your salt, so do you.

Still, I have met more neurotic perfectionists in the funeral and cemetery business than in any other walk of life. It’s true. You take our tendency for neurotic perfectionism, you take our obsession with the work, add to that the fact that in our specific niche, yesterday never counts in sales, and it is real easy to lose center, to get out of balance. And then, it’s easy to make mistakes.

I’ll share with you a quote; I don’t know the source, but I love it. “These days it seems easier to be a human doing than to be a human being.” Friends, take care of
yourselves. That’s the only way to ensure that you do a good job taking care of your families, and to avoid and minimize your mistakes.

4. Neglecting the role of analyst. Other speakers have addressed this. I’ll just refer you to Pat Downey’s presentation, to Linda Schuster’s information. What you are looking for—the objective—is competitive intelligence. You’ve got to know everything there is to know about your prospects, your current customer base and your competitors.

3. Hiring the wrong profile. Again, this has been addressed by other speakers, Steve McMillan, Mark Groeneman and Cindy Thompson.

2. Not sharing the credit. I suggest this: Make a list of all of those who have contributed to your success, your income and your financial well-being over the years that you’ve been in this profession. Think of all the company owners who have employed you and promoted you, and all the sales people who have paid your overrides over the years. Then draw a line down the center of the page and on the other half make a list of every original idea you’ve ever had.

I don’t know where sales managers anywhere get off claiming status to “Lone Ranger” heroics. Look around this room. I see young Rob Milward; his father gave me an opportunity several years ago to launch my career. Rob’s here with a brand-new salesperson, hoping to launch another career. Would any of us be anywhere near the people we are without all of us? Absolutely not. A sales manager who’s not willing to share credit makes a big mistake.

1. Resisting change. A really big mistake. Today’s sales manager is going to be challenged to manage change above all things, and we must learn to build change-ready teams. Here’s the quick and practical way: Communicate, communicate, communicate.

When you face big change in the organization, your people need to know who’s sponsoring the change. When you face big change in your organization, your people need to know who will be the agents of the change, who’s going to implement the change plan—usually that’s you. And then your people need to know who are the targets of the change, or what behaviors are the targets of the change, and what the change will mean to them.

Communicate, communicate, communicate, and you’ll be way ahead. Whether it’s tougher nonsolicitation laws, trying to deal with information at the speed of the Internet, a new breed of competition or the baby boomers coming of age—change. We’ve got to be nimble today.

I know you’re nimble enough; I know you’ll rise to the challenge. I know you can change and do it well, and really, don’t be afraid to make mistakes.

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