



Resource Library

The \$1,000,000 Moment

By Bill Eckstrom, President, EcSell Institute

By definition, an epiphany is the initiated, intuitive perception of an essential reality.

Such a moment occurred for me nearly ten years ago, one that continues to drive my approach to leading and coaching sales teams. Following a not so stellar quarter, my US Director of Sales stated the challenges that kept us from hitting our number were all sales management issues. As a Regional Sales Manager, I was at first unwilling to accept full responsibility that the complexities challenging our sales department were under the direct control of our sales management team. I recommended that operations have some ownership, customer service was certainly an element of concern, technical support was in total flux, marketing seemed to be of little help, and bottom line--**the reps just didn't get it done!**

But his remark stayed with me, challenging and then altering my previous pattern of thinking. As I considered the truth of his statement, I began to realign my perception of accountability matched to sales team performance.

His statement gripped me as an epiphany of sorts, a pivotal insight into the reality that the production of sales reps is absolutely a true and direct reflection of how they are led and coached. This is, by the way, a very humbling realization when your number was not met.

This epiphany will occur for you as well, when two thoughts are realized and properly aligned:

- You accept 100% accountability for the performance of your sales team.
- You realize the fact that it is your leadership, management, and coaching acumen that ultimately determines the performance of a sales department or division.

By actualizing this epiphany, as sales leaders we become better able to educate and empower our teams to perform. Like me, you will recognize this as a significant call to change, artfully instigating improvement, for you don't want to be the limiting factor of your team's performance. When the epiphany occurs, you not only understand but also become convicted of the need to act on placing consistent resources against the professional development of your entire sales management team.

There will be challenges:

At the EcSELL Institute, we often hear prospective members saying "I'm too busy". Last I looked, we are all still gifted with the same 24 hours in a day, and "too busy" is not cohesive reasoning for a lack of professional development. Those three simple words do nothing more than hinder growth. Our established members, met with the same time constraints as other sales executives, no longer accept this excuse. When you actualize the epiphany I've described you will make the time, you will protect the time, and you will provide the necessary resources to enhance the time, because the ROI is too significant to ignore.

I should also mention, don't expect your numbers to improve overnight, which may conflict with the more immediate demands of company executives who say "hit your numbers this quarter!" Responding to this epiphany may require a cultural shift for your sales department that could necessitate a span of time, but it is one that can be accelerated with a defined vision, authentic commitment, and a purposeful plan.

Initially, don't wait to have everyone on board. There may be those who don't get it, but do your best to educate your management team as to why you are committing resources to their development. Allow your colleagues the same insights you had at the moment of your epiphany, so they may have the same opportunity for discovery. Remember that your team will best support what they help create, but be sure to articulate that doing nothing is not an option. Don't slow the momentum of those who do get it or are searching to get it.

Speaking of those who “get it”, does Pareto’s Principle, the 80/20 rule, apply? Will only 20% of sales executives “get it”? Perhaps, but that factor cannot yet be measured until more sales leaders are exposed to the science behind the epiphany. After considering the insights I’ve presented, turn next to the progressive research that further reveals information about what drives performance. This epiphany is one uniquely supported by science, and one that is persistently available to you if you are intellectually empowered to receive it and respond to it.

What are the benefits?

The financial gains depend on how much revenue your company produces. The instant in which you acknowledge the full accountability of your team and begin the leadership and coaching improvement journey, could quite literally be a \$1,000,000 or more moment. There should also be a new mindset, which leads to an evolved approach, which leads in turn to significant outcomes. Lower turnover, greater associate engagement, happier customers, and increased sales are compelling gains to witness in response to the acknowledgment of the epiphany.

Research by the American Society for Training and Development (ASTD) was the first to measure the results of training and development against Total Stockholder Return (TSR) in publicly traded companies over a 12-month period, and the results are telling:

- Firms in the top quartile in respect to training investments have higher median TSRs in the subsequent year than firms in the other three training quartiles. Further, the third quartile is higher than the second, and the second is higher than the first (the quartile with the lowest training investment).
- Organizations in the top half for training expenditure in one year have a mean TSR in the following year of 36.9%, while organizations in the bottom half have a mean TSR of only 19.8%.
- Firms that spend more than average on training have TSRs that are 45% higher than market average, and 86% higher than firms that spend less than average.
- The model estimates that each dollar invested in training leads to a \$33.57 benefit to the firm. Bearing in mind the disparity between a direct cost and the true cost of learning, the return may be closer to \$3.36 to \$6.72, still considered a very high return.

Accordingly, our research and the research of our partners certainly support the immediate need for sales departments to put more resources against the development of the sales management team. To quote Curt Coffman (co-author of *First Break all the Rules: What the Worlds Greatest Managers do Differently*) in a conversation we had not long ago, “The ability to build organic growth and the future viability of business lies in the hands of Sales Managers.”

Included here are but a few fact-based points of relevance from the EcSELL Institute and from our partners, intended to cause you to pause, think, and take action:

- A poor performing sales producer can cost a company \$1-\$2M in lost sales opportunities.
- A poor performing Sales Manager can cost a company \$10-\$20M in lost sales opportunities, yet organizations are 100% more likely to develop sales reps.
- High levels of sales team engagement correlate to performance in retention, turnover, productivity, customer service, and loyalty, but according to Gallup, average sales department engagement only hovers around 37%.
- Sales Managers have the most significant impact on sales team engagement.
- Only 11% of sales executives rank their Sales Manager’s coaching skills as “very strong”.
- A Caliper Corp study shows 40% of sales leadership skills are innate, and 60% are developed.
- 41% of sales leaders say their reps are performing below expectations.
- 67% of Sales Managers are not providing or sporadically provide sales coaching and development.
- 52% of Sales Managers say they do not have the time or are too busy to develop and coach their sales team.

A variety of factors and conditions can illuminate the need for programmed improvement within an organization. It may be that frustration with a lack of goal attainment instigates the need to slow down, reflect, and search for a changed means to an end. It may be that growth is spurred through information from an article, book, or conversations with professional colleagues. To me today, the epiphany now simply makes perfect sense but, in retracing my steps, I suggest this logical progression of thought. Begin with these provoking questions:

1. In a sales department, what drives sales performance?
2. Who controls the outcomes of the answers listed in #1?
3. What are you doing to grow your skills to the answers listed in #1?

These same questions evoked compelling survey responses at the EcSELL Institute. We found that 87% of sales executives and Sales Managers assert that the following 6 Pillars of Productivity, supported by effective leadership, management, and coaching, define and determine all that drives sales performance:

Talent Identification and Acquisition - properly identifying and hiring the right talent to meet and exceed the objectives of all positions within a sales department.

Sales Methodology and Skills Development - developing a measurable sales process that meets the needs of a company's products, culture, and market, and then training to maximize a team's ability to execute the methodology.

Professional Development - meeting the individual needs of all those in the sales department, in order to increase the productivity and retention of your team.

Sales Analytics and Performance Tracking - defining which key performance indicators track productivity and effectiveness, then learning how to utilize these to direct education, training, and planning.

Compensation/Recognition/Rewards - understanding and designing programs that not only drive and incent the proper behaviors, but also meet the evolving demographic and psychographic needs of your sales department.

Planning - establishing structured plans for sales departments, divisions, regions, and individual territories. Providing a systematic methodology for touching prospects and clients, leading to attainment of departmental objectives and increased revenue. This Pillar also includes developing the most effective meeting formats and agendas to address the needs of sales management and producers.

The EcSELL Institute serves to increase the collective acumen of sales executives and managers, centered around the management of these 6 Pillars, leadership and coaching. At the EcSELL Institute, we facilitate the accessibility of relevant information and proven resources. We provide opportunities to accentuate collaboration, all aimed toward optimizing success in the attainment of sales goals. The EcSELL Institute highlights programming geared toward technologically accommodating a high-paced professional lifestyle.

As I continue my own development quest, I have consistently reiterated and exemplified the message of my epiphany with the teams I have the good fortune of leading and coaching. And I want sales leaders to understand that I get them, because I've been there. I've walked in those shoes; I still do. I tap into where I've been and what I've learned in every decision we make in the interest of the professional development of Sales Managers.

The epiphany can occur and reoccur at any point if we place ourselves on the path of discovery and improvement. It is my goal that, in response to this epiphany, as sales leaders we are persistently utilizing frontline research and collaborative expertise to benefit our sales teams, better guaranteeing professional growth and gains relative to the complex needs of the sales management community.

Written in dedication and with appreciation to Bill Schoenberger, the sales executive who for me, set a high standard of excellence and initiated a journey of accountability, education, and continual improvement in my professional life.

For additional information about the EcSELL Institute including membership opportunities, please contact William L. Eckstrom, Founder and President of the EcSELL Institute, at 402-805-4238 or visit the website at www.ecsellinstitute.com.