



# A Beginner's Guide to Sales Management

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# Introduction

**You're working as a sales representative, hoping to be in charge of your co-workers at some point in the near future. But no matter how great of a salesperson you are, sales management is a totally new role, including new skills and responsibilities that a typical sales executive wouldn't handle.**

And, if you're already a sales manager who wants to improve your skills to become even stronger, you might be unsure where to start. Which areas should you focus on? Which is the most important thing about your job? How can you do it better?

Sales managers are responsible for various things—such as building and motivating the sales team, developing and improving the strategy, and providing the resources to allow the sales representatives to be successful.

It's a crucial part of any business. Why? Because just **60% of sales reps** meet their quota. While your company might have a target of closing 50 new prospects per month, little over half are likely meeting it. A sales manager's responsibility is to spot (and fix) that before it becomes a huge problem.

Good sales managers also know the strengths and weaknesses of their sales team and how to get the most out of them.

You typically have a range of sales representatives with different performance levels. Sales managers spot the strengths and weaknesses of each—such as those better at handling objections, closing more high-value opportunities, and managing the workflow of opportunities.

Here's what that might look like in action:



### Person A.

He's overall a great communicator, but he's not a good listener, so he doesn't really understand the prospects' needs, and therefore, he's not effective at closing deals.



### Person B.

He's good at selling and understands his prospects' needs, but he's struggling to manage his workload, and therefore, he's losing opportunities and doesn't reach his quota.

It's the sales manager's job to come in and analyze both the situation and the sales reps' performance.

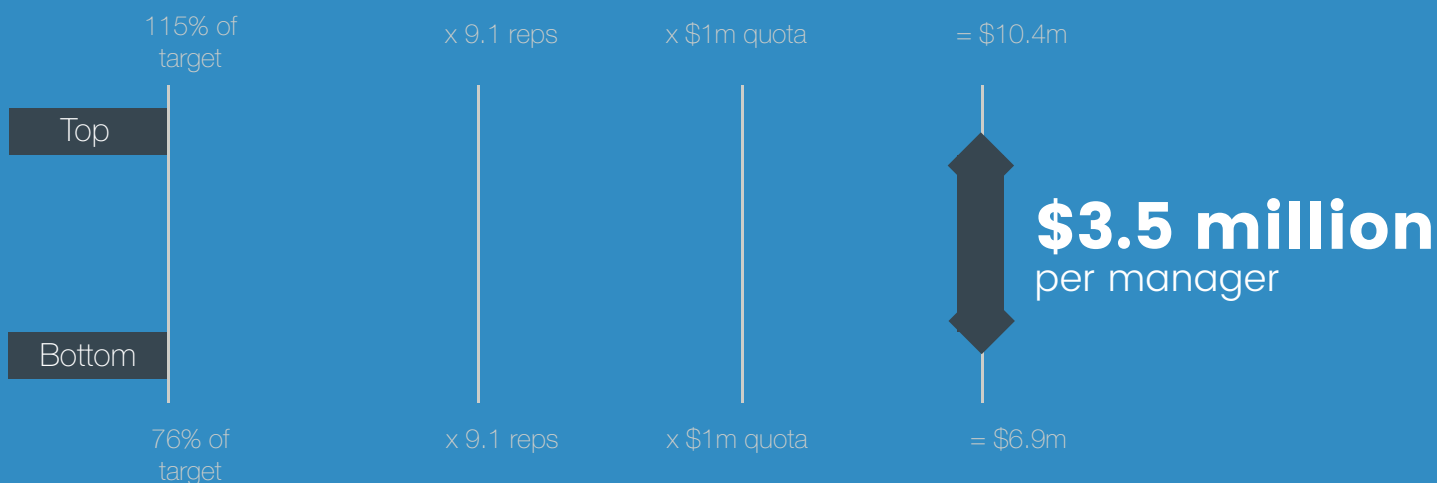
**For person A**, that might look like providing training, such as role-plays, to practice which questions to ask during the needs assessment, and how to ask them. This can help them practice encouraging the prospect to speak more than the rep.

**Person B**, however, might need training on how to use technology towards his benefit to maximize his time. This would teach him how to stay on top of his tasks and opportunities and meet his quotas.

If you don't have a good sales management in process, you can't improve how your company engages and converts leads.

It's no wonder why [VantagePoint](#) found the cost of a bad sales manager peaks at \$3.5 million.

## Average cost of a low performing Sales Manager



# 3 Main Pillars of Sales Management Responsibility

Now we're clear on what the term means, let's discuss the main tasks a sales manager is responsible for. These three branches will fall under your wheelhouse when you become a great sales manager:

## 1. Sales Operations

## 2. Sales Strategy

## 3. Sales Analysis

### 1. Sales Operations

Any task relating to the people working on your sales team falls under this branch.

Sales managers are responsible for coaching, and shadowing their sales representatives, molding them into the sales machine your company needs.

They'll also need to motivate their team and provide opportunities to develop their careers at your company, too—especially when 93% of employees would stay at a company longer if it invested in their careers.

But unfortunately, being a sales manager isn't all fun and games. You'll have to fire staff who don't make the cut, then hire their replacements. You'll likely be the one having difficult conversations, and constantly molding your team to make it as strong as possible.



## 2. Sales Strategy

This branch of management relates to the sales strategy your company is using. Creating a sales strategy typically includes:

- Identifying the customers your business wants to target
- How to target them
- How to convert leads into customers

You'll need to define the sales process—a set of guidelines that your reps use when converting a prospect. It includes everything from prospecting to following up to seal the deal, with the same tactics being used by everyone on your team.

It's also your job to create a sales funnel that highlights how a typical customer makes their way to your purchase list. Every prospect will work their way through four key stages on their way to becoming a customer: Attract, Interest, Decision, Action.

You need to clearly communicate how that happens, and build a funnel that reaches them at the right time, with the right sales message. This sales funnel is key to understanding which prospects fit your buyer persona—which, in turn, helps your sales team know where to use their time most effectively.

Plus, sales managers are in control of the sales pipeline. This is a specific list of actions that your representatives take to meet their sales goals, ranging from qualifying leads to closing deals.

Once leads enter the pipeline, it's a sales manager's job to find the best way to convert them. Whether it's email, voicemail, or social media check-ins, it's their job to set the pace for the representatives on their team.

(That's possibly why companies that spent more than **3 hours per month** managing their sales reps' pipelines saw 11% higher revenue.)

But as customer habits and preferences are constantly changing, sales managers need to adapt their strategy to suit. This might mean quarterly check-ins to evaluate their success and adapt to any upcoming trends that might impact the way their customer typically purchases their products.



## 3. Sales Analysis

By this point, a sales manager has a strong team who are all using the same proven process. But their work doesn't stop there; they'll also need to measure whether their strategy (and team) are actually working.

Sales managers will monitor key sales metrics, such as:

- Lead conversion rate (by representative)
- Revenue generated
- Leads lost

They'll also need to set goals and quotas for their team. This will then be fed back to upper management teams, such as CEOs, CFOs, or Managing Directors.



# How to Build and Develop a Sales Team

Now you understand the responsibilities that sales managers have, let's move onto the first aspect: How they can build and develop their team, and generate more revenue per representative.

## 1. Recruit new sales talent

The success of any manager is based on their team. You need a team of skilled sales representatives to put your process in action and speak to prospects to close their deal.

And with the turnover of sales representatives being amongst one of the highest rates across all industries, the first step to building a strong sales team is to recruit new talent.

Sales management teams will take control of everything in the hiring process, including:

- Creating job descriptions
- Filling their pipeline of potential candidates (it's crucial to do this even if you're not actively hiring new staff—especially because of the high turnover)
- Interviewing potential sales representatives

But sales management teams don't just recruit external talent by scouring sites like LinkedIn®.

**Only 39%**  
of salespeople  
intended to go  
into sales



You might have co-workers in other departments with a knack for communication that could fill the role perfectly.

Find hidden opportunities to recruit someone from another department by monitoring their personality. It's widely reported that sales is a talent, not a skill. But you can look for characteristics that make a great sales representative, such as:

- The ability to communicate
- Knowing how to handle difficult situations
- Their passion for understanding customers and relating to them

...and ask whether they'd be interested in joining your team. Chances are, they'll make a perfect addition with a few weeks of extra training because they already know your company, too.

It **costs sales organizations \$97,960 to replace a sales rep**. It's the management teams' responsibility to make sure it's the right one.

## 2. Onboard new hires

In sales management, your work doesn't stop once you get your new candidate on board. You'll need to train them towards meeting your sales targets and allow them to get to grips with the sales processes you're using.

This onboarding process starts with the HR aspect of hiring a new employee—including contracts of employment. But it should also be where new sales representatives know what's expected of them by setting their sales targets and meeting their KPIs. This could be anything from ten calls per day to five product demonstrations per week.

Sales managers should also make a list of the daily routine a typical salesperson has. They'll need to guide any new hire through the process of doing each task, explaining (and granting access to) any software they'll need.

Let's say that your team uses a CRM system to keep track of where they are with each lead, for example. You'll need to make your new hire an account, and give them a mini-tutorial on how they add a new contact, set reminders to follow-up with them, and add notes to stay updated on how they progress through the pipeline.

### 3. Create your sales plan-of-action

Once you've got your team on board, sales managers need to define their company's approach to sales.

Start by defining the framework your representatives will follow. Also known as a sales process, it includes the key activities you'll do with each potential lead—and at which time you'll do them.



It's a sales managers' job to piece together the sales process for their company. You can do this by taking a look at your sales funnel and making a note of the behaviors that a typical customer would show at each stage. Then, plan your sales process around those behaviors by giving sales representatives a set of tasks to follow to convert them into paying customers.

But because customer shopping behaviors are always changing, the sales management team needs to monitor and adapt the sales process over time. Just like the communication methods that worked in 2010 won't be relevant today, the process you're using today likely won't be the most effective one in years to come.

And, with advances in technology—like artificial intelligence tools—changing how customers communicate with companies throughout the process, sales managers need to make sure they're not missing out on deals due to an outdated sales process.

## 4. Train your sales team

One report found that **55% of sales people** lack basic sales skills. While you might think you're hiring the perfect representative, sales managers need to actively train their staff to keep them updated with new sales tactics.

For example, you could do this through:


- Demonstrating how sales reps can manage complex sales cycles.
- Hosting a weekly training session covering various sales topics to help the sales reps improve their skills, such as objection handling or creating urgency.
- Providing staff with updated product and industry knowledge.

Let's put that into practice and say that you're hosting a weekly sales training based around sales objections: The common issues that deter prospects from converting.

To do this, you gather different types of objections you usually come across often and [prepare a response](#) that helps the rep overcome the objection. That might include a response to:



“The price is too high.”



“I need to talk to my team/manager.”



“I don't want to sign a six-month contract.”

Research by [Udemy](#) found over half of employees would quit their job if training was not offered. That, combined with an already-high turnover of sales representatives, might leave your company with a constant need to fire and rehire staff.

Plus, **81% of companies** say productivity would improve with better processes, skills, or competency training. It's a sales managers' duty to get the most out of their staff; ongoing training is the ideal way to do it.

## 5. Provide ongoing coaching and development

Did you know that just **15% of employees worldwide are engaged in their jobs?**

These disengaged staff also have 18% lower productivity and 15% lower profitability than their engaged co-workers. When that translates into dollars, a disengaged sales representative who earns \$47,000 would cost your business \$15,980 each year.

It's a sales manager's responsibility to prevent that low morale from sweeping across your entire sales department. You could do this with:

- Role-plays to challenge them and build on existing skills
- Providing access to sales courses to help them develop their career
- Hosting team-building events, such as company retreats
- Motivating your team with an incentive program, contests or challenges, and providing ongoing feedback

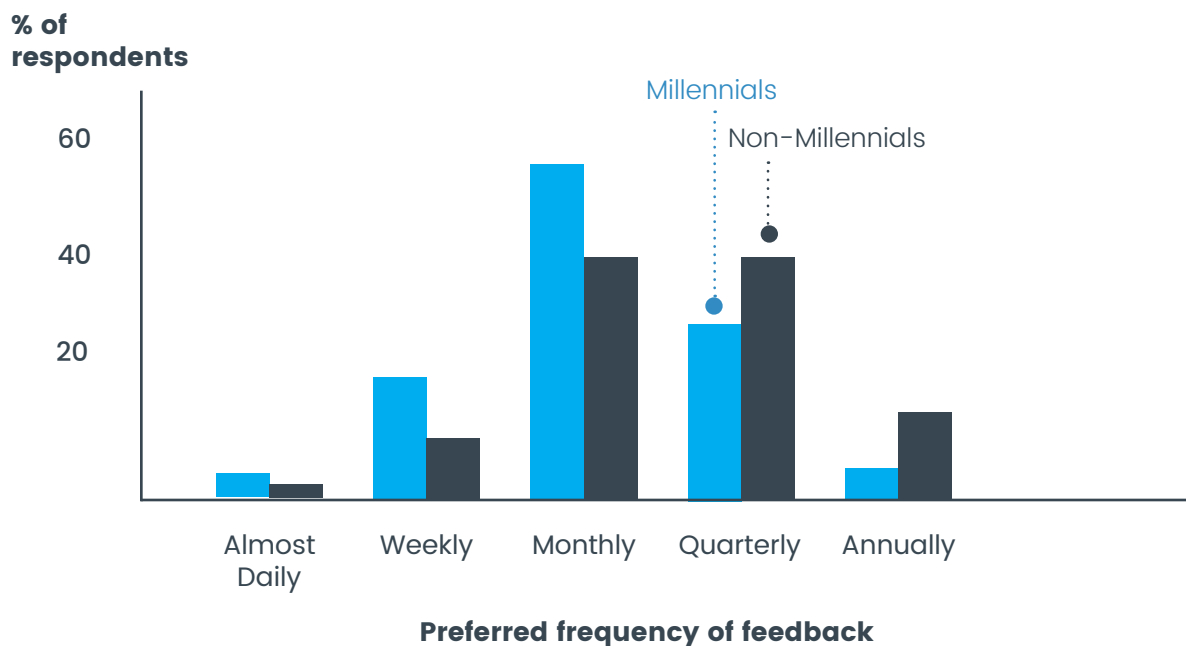
Let's put that into practice and say that your sales representatives are just meeting their sales quota. You could use this as your opportunity to coach them to make sure they hit their target every month.

For example: Ask for access to your rep's email chain or listen to their calls with a prospect. Can you tell them what they did well? What could they improve on next time?

Research has shown that millennial employees **want feedback 50% more often** than other staff members. But regardless of how often you coach and mentor your sales representatives, your duty as a sales manager is to schedule check-ins that guide your team to meet their targets:

## How often employees want feedback from managers

Most millennials prefer monthly.



## 6. Maximize productivity with sales software

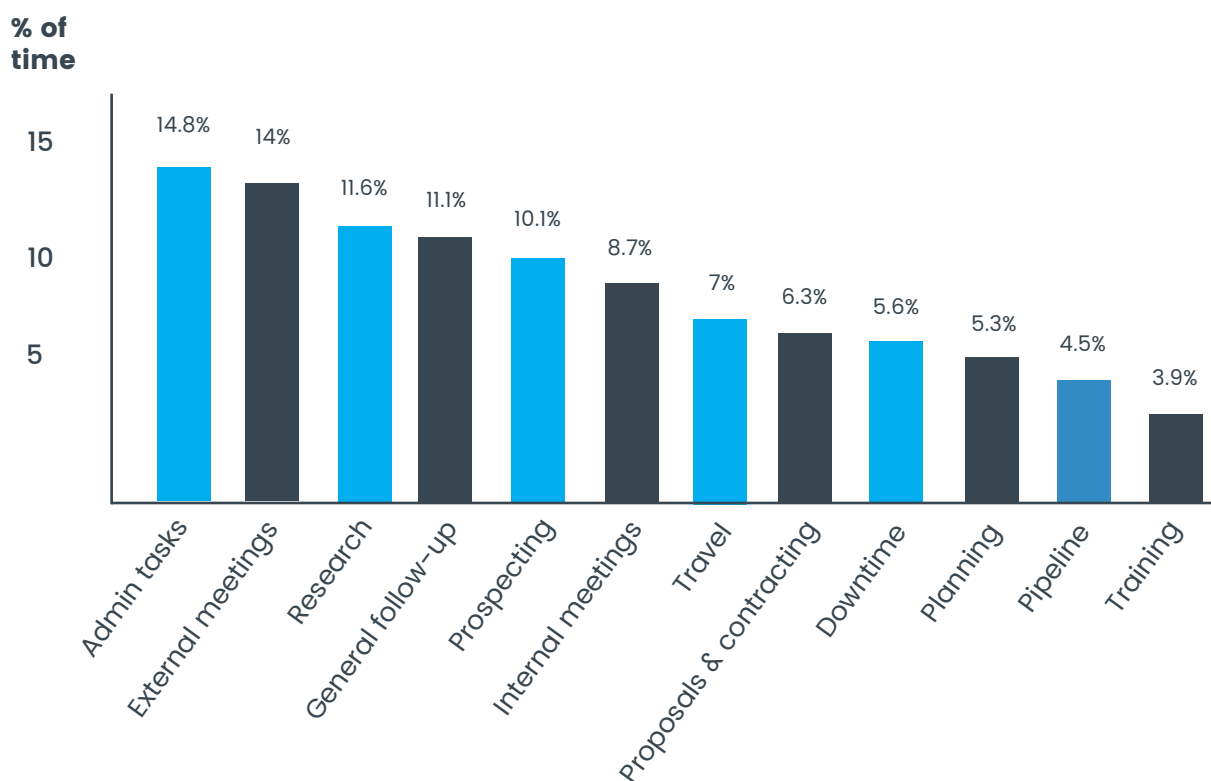
Earlier, we briefly touched on how your onboarding process should guide new hires through the processes you use. They should know how to do critical sales tasks—like setting follow-up reminders or using email templates—as soon as possible.

But the toolkit you're using might not be the best solution for your sales team. Spreadsheets can be ineffective, and copy/pasting from a template document can be time-consuming.

It's a sales managers' responsibility to make sure their team meets their targets. They can't do that with outdated methods and software, which is why they should actively look for software to cut down on the time their team spends not selling. (On average, that's a third of their day.)

Start by tracking the time your team spends on specific activities. It's common for sales representatives to spend the majority of their time doing administrative tasks, attending external meetings, or researching prospects:

## Sales Rep Task Time Allocation



Start to think of software that could handle those tasks—or at the very least, reduce the time your representatives need to spend doing them.



For example:

- **Administrative tasks:** Can you automate the process of sending contracts to leads you've converted? 48% of companies said their executive team would benefit from seeing contract status in relation to revenue.
- **External meetings:** Can you attend online meetings through software like Zoom or Google Hangouts to cut travel time? Can you find an email tracking or appointment scheduling app to save back-and-forth email chains?
- **Prospecting:** Can you use website visitor identification tools to find the people who are already visiting your website, rather than finding a new group of potential leads who've never heard of you?
- **Sales Pipeline Management:** Can your team spot leads that are ready to buy? Instead of guessing at the prospects almost ready to convert, CRM software can help you manage your sales pipeline and flag prospects who are ready to buy for your reps to prioritize. It's the easiest way to find (and focus on) your most valuable opportunities to beat sales quotas.

**Remember: A key part of sales management is maximizing the output of your team.**

Finding solutions and automating manual processes is an excellent way to free-up the time they spend on non-revenue-generating tasks—and, therefore, be more likely to meet their sales targets.

# Sales Performance Indicators (KPIs) and How to Track Them

Your sales strategy is in place, you've got a strong team, and you're dedicated to providing them with the software and training they'll need to succeed.

But how do you know whether they're actually making an impact on your bottom line?

Sales managers are responsible for reporting on their team. But to accurately see whether your team is meeting their goals, you need to know which KPIs to keep an eye on—and how to track them.

Below are the [most important KPIs](#) for sales managers:



## 1. Number of deals in the funnel

A sales pipeline shows how many opportunities your sales team are working on converting. If that pipeline dries up, your team won't have anyone to contact—which will inevitably lead to a dry spell in revenue for your business.

That's why the number of active deals in your funnel is a key KPI for sales management teams to track.

For example: If the pipeline is running low, you'll need to brainstorm with your marketing team to drive more leads into the funnel and ensure your sales reps are turning them into opportunities.



## 2. Average size of a deal

It's also important to monitor how large the deals your sales representatives are closing are. This tells you whether tactics like upselling or cross-selling work.

For example, your sales team might sell a B2B social media marketing service for \$5,000. You offer an add-on service, such as access to your tool, for another \$1,000. Your average deal size of \$5,750 indicates that some people are purchasing the add-on service—and therefore, your sales team pitch it well.

You can break down this metric by salesperson, too. One representative might close deals worth \$500 more than another. Can you ask the high-performer to share their techniques with their co-workers to bring every representative up to the same level?



## 3. Close-ratio

Close-ratio is often referred to as the percentage of deals that get won. For example: If your sales team contact 100 people and just five convert, your close ratio would be 5%.

The [average close-ratio](#) for all industries is 19%, yet results can vary massively depending on the industry you're working in. The computer software industry has an average close rate of 22%, whereas biotechnology close-rates hover around the 15% mark.

It's great if you meet the close rate average for your industry—but your close rates might differ depending on the size of your business and many other factors, so keep in mind that close-ratio averages should only be used as a guidance.

So, track your close ratio as closely as possible, breaking it down by sales representative to see whether one member of your team closes deals more often than others.

(This metric can tell you whether the leads you're getting from marketing are high-quality too. [Just 13% of marketing qualified leads are sales-ready](#); you can use a low close-ratio to prove they need to be more specific with the leads they pass through.)



## 4. Revenue per sales representative


Sure, you might understand how much revenue your sales team brings in. But if you proportion that by each employee, you can find out how much each representative brings in, on average.

Calculate this by dividing your total sales figure by the number of sales reps you have. For example: If your entire team brings in \$10,000 and you have five members of staff, your revenue per rep would be \$2,000.

It's important to remember that this metric gives a simple overview of your sales team. It takes an average of your entire team, so high (or low) performers won't be noticed.

Revenue per sales representative simply gives you an overview of how much money they're bringing in.

You can judge whether they're bringing a return on your investment in them: Their salary. It's not sustainable to hire a team of representatives on a \$2,500 monthly salary if each only closes deals worth \$1,000.



## 5. Non-revenue-related metrics

Granted, monetary metrics tell you how your sales team is performing for the business. If they aren't closing any deals or making any money, it isn't sustainable for your company to keep using your strategy, right?

That doesn't mean you should only track revenue-related metrics, though.

Other metrics, like those listed below, tell you whether you're on-track to make your revenue goals. They also highlight where your sales reps exceed (so you can hone-in on them going forward), and spot where you might be going wrong (so you can fix it.)

| Metric                              | Questions to answer  | Example   |
|-------------------------------------|--|---|
| Number of contacts                  | <p>How many contacts do your sales representatives handle at one time?</p> <p>How does this compare to the number of contacts your team says they're realistically able to handle?</p>   | <p>On average, sales representatives are dealing with ten prospects at any given time. But they've said this is too much to handle, so consider hiring a new team member to spread the load.</p>  |
| Number (and time) of outbound calls | <p>How many call attempts does it take to get a prospect on the phone?</p> <p>What time of day do most of your customers pick-up the phone?</p>  | <p>It takes four attempts to get a prospect on the phone, but they'll answer at 5 pm on a Tuesday afternoon.</p> <p>Use this timeslot to contact your hottest, most urgent leads.</p>   |
| Average conversion time             | <p>How long does it take for someone to go from "cold lead" to "customer"?</p> <p>Are there any common denominators in those that convert quickly?</p>   | <p>Your average conversion time is three weeks, but people who convert in 10 days have a sales demonstration within two days of their initial inquiry.</p> <p>Build this into your sales process; invite new inquiries to attend a sales demonstration.</p> |
| Sales by contact method             | <p>Do email threads, voicemail messages, or cold calls result in most of your sales? Have you tried SMS or video emails? Make sure you stay on top of trends and figure out what works for your business.</p> <p>Which has the lowest conversion rate?</p> <p>Why?</p> | <p>You might find that cold calling has a lower conversion rate than email.</p> <p>So, focus more time on communicating with leads by email.</p>  |

CRM software is essential to track these metrics. [Tools like Act!](#) are able to manage and track this data.

You won't need to run complex spreadsheets with complex calculations. The CRM shows your most important metrics as a company-wide sales team, which you can break down further by salesperson to view their individual performance.

# Assessing and Improving Sales Performance

We already know that a large part of sales management is reporting.

But sales reporting goes beyond taking key sales metrics at face value. You should be using them for other activities, such as:

- **Establishing sales forecasts:** Based on where you are now, what do you realistically expect to see? Consider your future plans here. For example, your forecast of revenue per representative might increase because you're adding regular training into their schedule.
- **Setting goals:** This might include targets and quotas for your sales reps to reach—such as “reduce average conversion time by two days” or “increase close-ratio by 2% next quarter.” Follow the [SMART framework](#) for this.

Often, you'll need to report both of those things back to your team members and high-level staff. This makes sure everyone knows where you currently are, your plans for the future, and what you expect of them.

But you should get on the ground and start making a plan of action to meet your goals and forecasts.

This could be through performance reviews, for example. Break down your most important metrics for each employee, and schedule a quarterly review to look over them. Ask:

- Where are they struggling?
- What are they doing well?
- How can you help them meet their quota?

These performance reviews give a ton of insight, too.

Let's say you've got a sales team of five people and your company has customers all over the world. Ask your sales reps which location they'd prefer to handle and give them exclusive control over that territory.

This allows them to have more control over their work—a feeling called “psychological ownership.” [This has been proven](#) to result in better accountability and higher job satisfaction in the workplace.

Regardless of what you find, remember to praise and reward sales representatives for the things they're doing well. This could aid with other areas of sales management, like retention—especially since companies with employee recognition programs have a [31% lower voluntary turnover](#).

## Conclusion

**Are you ready to become an incredible sales manager that brings in a new wave of customers, beats your quotas, and generates revenue for your company?**

Whether you're a sales manager looking to upskill or make the transition from representative to manager, this guide makes a great starting point. You now know the tasks you're responsible for, how to manage your team, and plan for the future.

Here are some final tips on how you can be a successful sales manager as you grow in the role:

## 1. Always ask for feedback.

Be it from your co-workers, representatives, or CEO, constantly ask how you can improve—and act on their suggestions.

## 2. Be a team player.

You'll have lots of staff looking up to you as a sales manager. It's important to build a rapport with your co-workers, and prove you're on the same team, for them to enjoy working with you.

## 3. Master time management.

With lots of varying duties under your belt, you need to know how to fit those tasks into your workday. Good sales managers know where to best-place their time (especially when there isn't much of it.)

## 4. Learn the process of hiring someone.

Find which job boards are most effective, and start forming relationships with other sales reps who don't yet work at your company—but could do in the future.

## 5. Start reporting now.

You don't need to be at the end of the month to run sales reports. Get to grips with how sales reports are made now, and figure out the metrics you need to report on. You could use visualization tools to showcase your KPIs for this.

## 6. Delegate tasks based on strengths.

Not every sales rep is a pro at cold calling, and others don't enjoy research. Don't force your team to do things they don't want to. Instead, look at the tasks your team or co-workers are responsible for and make a list of tasks they enjoy—and are good at. You can give them control over this.



## 7. Lead by example.

Go above and beyond to answer your team's questions, and solve problems they're facing. Great managers and co-workers are problem-solvers.

## 8. Ask questions.

If something doesn't look right, investigate it. Find out why something is happening and have a passion for getting to the bottom of it. (This goes back to delegating: You can't assign tasks based on strengths if you don't know them.)

## 9. Set high (but realistic) goals.

We mentioned that goals are a key part of sales management. When setting your company's goals, don't be afraid of aiming high... But make sure they're realistic with the resources you've got.

## 10. Invest in regular training.

As part of management, you'll have some control over sales budgets. Research what the average budget is for a company of your size, and figure out how you can maximize it. You could also advocate for a portion of your budget to be spent on training. That way, you're developing your own and your team's skills, while also staying up-to-date with new best practices and software.

Are you ready to master sales management  
and supercharge your sales team?

**Try Act! free** to explore how its key features can help  
you generate more leads, manage your sales pipeline, and nurture your  
customer relationships.