

**IN THIS ARTICLE**

*Coaching, Sales Skills, Research Studies*

*Many salespeople receive inadequate sales coaching or none at all. Here are several ways to make effective sales coaching a part of your organization's daily work life, to ensure higher profits and happier customers.*

BY KEVIN J. CORCORAN

**W**e haven't had any sales coaching for about 10 years," said a salesperson in a 1992-to-1994 study of top international sales organizations. Another respondent said, "Sales coaching would be important, but it doesn't exist."

The study, by Learning International, shows that even among top sales organizations, sales coaching is often haphazard, ill-defined, or totally neglected. Surprisingly, many leading companies in the study didn't have specific, effective sales-coaching strategies at the time. But the trend-setting organizations were making a structured sales-coaching process part of every sales manager's daily work life. Such organizations use sales coaching as a powerful tool for ensuring more customers, more profitable customer relationships, and increased competitiveness in the marketplace.

**A definition**

One barrier to effective sales coaching, say survey respondents, is confusion about what it is. "People have their own ideas about sales

# THE POWER OF



coaching—what works and what doesn't—based on their experience," says Chuck McCreery, manager of sales education and training at Diebold, in Canton, Ohio.

For example, many sales managers mistake traditional sales-management activities—such as participating in joint sales calls—for actual coaching. And salespeople may refer to training activities—such as reinforcement seminars and performance evaluations—as coaching. It's little wonder that sales managers, salespeople, and sales trainers often disagree about whether sales coaching is actually occurring.

The first step in overcoming the barrier of misunderstanding is to create an organizational definition of sales coaching. For example, "Sales coaching is an individualized development process designed to change the behavior of salespeople to achieve organizational goals for financial performance and customer satisfaction."

Sales coaching is a deliberate process designed to improve sales performance over time. It consists of planned discussions and activities in which the coach provides ongoing observation, analysis, feedback, and encouragement. The most effective sales coaching builds on a foundation of product knowledge and selling skills communicated through formal sales training. But sales coaching isn't done by sitting in classrooms or by accompanying salespeople on sales calls.

"Coaching has to happen every day," says Mike Gentile, manager of marketing programs at Boise Cascade Office Products in Itasca, Illinois. "It should address the salesperson's interactions with internal and external customers."

Sales coaching is a collaborative activity in which the sales manager helps members of the sales staff learn their own lessons. The most effective coaches are good observers who lead by example rather than by

fiat. Many sales managers began their careers by doing the selling themselves. But to be effective coaches, they must step back, observe, and even let people make mistakes during sales calls.

"Coaching is hard," says survey respondent Craig Warth, an area sales manager at Cardinal Health in Dublin, Ohio. "You're with the customer, you see an opportunity, and the salesperson doesn't handle it correctly. You have to offer a more effective approach without taking over the situation or making the salesperson feel bad."

Sales coaching should focus on behaviors that directly affect results: knowledge of the company's products and services, an understanding of customers' needs, and a mastery of sales strategies and critical selling skills. Effective coaching requires sales managers and salespeople to work together to identify—account by account—how the salespeople can achieve the company's strategic

# SALES COACHING



and financial goals and meet or exceed customers' expectations. The sales-coaching process involves diagnosis and action planning.

Through diagnosis, sales managers collect revenue data, observe sales calls, and discuss accounts with sales-staff members to identify the behaviors that need to be changed. Once the sales managers and the salespeople understand and agree on some areas for improvement, they can begin to create action plans. Next, sales managers should work with their sales staffs to create plans to support short-term and long-term changes leading to improved performance.

A clear definition of sales coaching provides the framework for delivering effective coaching. Trainers can use the definition to generate discussions about what it means to coach effectively, and even to develop ways to assess sales managers' coaching practices and skills.

The successful sales managers interviewed by Learning International fulfill the roles of strategist, communicator, and coach. As strategists, they manage the knowledge, systems, and structures necessary to achieve sales goals. As communicators, they manage information at all levels. And as coaches, they foster individual performance improvement.

The findings show that the role of coach is pivotal to performance. As coaches, sales managers bring to bear all of the activities associated with other roles—such as strategist and communicator. In their varied roles, sales managers make a day-to-day tangible difference in salespeople's behavior with customers.

### Specific strategies

The study indicates that many salespeople—from rookies to seasoned pros—would like to receive more coaching. It also shows a large gap between what sales coaching should be and what it actually is. One reason for the gap is that it's difficult to turn a belief in the value of sales

coaching into day-to-day action. Two obstacles are poorly communicated sales strategies and the low priority placed on sales coaching in many organizations.

In companies in which top-level managers are committed to specific sales strategies, everyone—from the sales support staff to the vice-president of sales—understands and can articulate the strategies. The sales coaching in such organizations reinforces those strategies daily.

Without specific strategies, sales managers can't help their salespeople allocate time, target prospects, or formulate appropriate recommendations and sales proposals to create win/win solutions for customers and the company.

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Typically, an organization's training department plays a part in communicating the overall sales strategies that serve as the backdrop for training sessions on sales coaching, negotiation, new-product knowledge, and telephone prospecting. Training can show sales managers how coaching reinforces the strategies in the field, helping to convince them to make sales coaching a high-priority activity.

“It's difficult to set your sights on five-year goals when stakeholders want to see results in 18 months,” says David Dodge, vice-president of

sales at Sterling Software in Dublin, Ohio. Sales managers tend to spend most of their time and attention on the immediate concerns for which they're compensated—such as managing salespeople to ensure that they meet their quotas.

“We talk about long-term development, but we inspect and reward the short term,” says a district sales manager of Xerox. “That needs to change.”

If sales coaching is to be a high priority, it has to take place in the boardroom as well as on the road. Sales managers and their managers need coaching as much as the salespeople do.

“I coach the sales managers who report to me so they'll be better equipped to coach their people.” So says Emil Stefkovich, vice-president of merchant sales for a division of the Mead Corporation in Dayton, Ohio. “Sales coaching is a process that has to happen throughout the organization—

whether it's called coaching, mentoring, or managing,” he explains.

Sales coaching can cause managers to make tough choices about how they spend their time. Some organizations ask sales managers who don't have time for coaching to select someone who does—an experienced salesperson in need of development or someone hired and trained specifically for the job. Other companies have found that involving senior sales executives and managers from other departments can alleviate the coaching shortage. With appropriate training, they can observe sales calls and provide salespeople with input on meeting the needs of customers.

Many leading-edge companies are reconsidering the ways in which they compensate their sales managers. “Traditionally, sales managers are evaluated on sales figures, not on their success in developing people,” says McCreery. “We're changing that at Diebold. We've built coaching into our sales managers' performance goals.”

In another example, Sterling Software still compensates its sales managers on sales figures but bases their performance ratings and advancement on people management, marketing, and administration.

### Then and now

One problem contributing to ineffective sales coaching is that some sales managers are still trying to apply selling strategies that worked in marketplaces that no longer exist. Such managers think their salespeople are failing because they're not selling the way the managers did when they were salespeople.

"Five years ago, our salespeople faced a completely different type of marketplace and set of customer needs," says Stefkovich. "Now, consolidation among Mead's customers and our customers' customers means that our salespeople have to understand much more about the company's financial aspects and work more closely with customers." Mead's sales managers have found that unless they change with the selling environment, their past experience isn't relevant enough to help salespeople develop more sophisticated sales approaches.

One way to bring sales managers up-to-speed is to give them a few accounts of their own to manage so they can stay in touch with customers' needs.

"When the sales managers are out there hearing customers' price objections and so forth, they realize how difficult it is for their sales staff to make the numbers," says Dodge.

Not only are today's customers more sophisticated, but also salespeople tend to be more educated and experienced than in the past. Consequently, they have career development needs and issues that some sales managers aren't prepared to address.

"We hire more college graduates as sales staff than we used to," says Colleen Thornburgh, director of sales training at Cardinal Health. "Most are more computer literate than their colleagues with more sales experience. The graduates have both an educational and technological advantage over some of our salespeople and even over some sales managers."

### A Look at Study Participants

Learning International—a consulting firm specializing in sales-and-service training, located in Stamford, Connecticut—conducted the Global Sales Leadership study between 1992 and 1994, with sales organizations that excel in their markets. The goal was to identify the trends, strategies, and practices that those organizations say influence their success.

The study involved 300 senior sales executives, sales-training managers, field sales managers, salespeople, and customers of worldwide organizations. The responses provide information about selling trends and about the characteristics of top-performing sales organizations and salespeople.

Study participants represent a broad spectrum of industries and cultures. Salespeople at the North American companies were identified through an annual "roundup" of top salesforces in *Sales and Marketing Management*. The European and Japanese companies were selected because of their extraordinary sales performance. Participating firms:

#### North American Companies

- ▶ American Airlines
- ▶ Hewlett-Packard
- ▶ Northwestern Mutual Life Insurance
- ▶ Scott Paper Company
- ▶ Xerox Corporation.

#### European Companies

- ▶ Allen and Hanbury's pharmaceuticals
- ▶ Iron Trades Insurance Group
- ▶ 3M Precision Manufacturing in the United Kingdom
- ▶ Bayerische Vereinsbank financial services, Boehme-Chemie Gesellschaft health and beauty aids, and Siemens electronics in Germany
- ▶ Biscuiterie Nantaise foods, Matra telecommunications, and Ordo manufacturing in France
- ▶ Bekaert steel manufacturing in Belgium
- ▶ Oce office equipment in the Netherlands
- ▶ Rank Xerox office equipment in the United Kingdom and Sweden.

#### Japanese Companies

- ▶ Fuji Xerox
- ▶ NEC Corporation semi-conductors and electronics
- ▶ Shiseido cosmetics
- ▶ Sony
- ▶ Tokyo Marine and Fire Insurance Company.

Increasingly, sales managers need to develop skills to coach salespeople whose customers expect them to have sophisticated business knowledge. Such salespeople may need coaching in selling to accounts with multiple buying centers, or in creating solutions that are compatible with competitive products already on the market. To meet such challenges, sales managers need the appropriate coaching skills to guide their sales staffs in using skills the managers themselves may never have used or needed when they were selling.

### The role of training

Training can play a major role in overcoming the misunderstanding and misalignment in sales coaching and the complete lack of sales coaching that exists in many organizations.

Unfortunately, few sales managers receive the appropriate training. "The easy answer in a tough economy is to cut training, even though training is critical to keep up with change," says Stefkovich.

In fact, few of the sales organizations in the study offer their sales managers any training at all in sales

## Word of Mouth

Here are some testimonials on the results companies have achieved through sales coaching:

- ▶ "Through sales coaching, I can home in on aspects of my people's behavior that might get in the way of their success with customers. It's one of the most valuable sales tools I've ever used. It helps me and my salespeople become more professional and effective every day—as a team and with customers." (*Jack Sweetman, area sales manager, Cardinal Health*)
- ▶ "My manager knows how to pick up on key words and points that I miss. When she points them out, I'm able to work with her to find ways to avoid making the same mistakes." (*Cheryl Tidwell, account representative, Cardinal Health*)
- ▶ "Through multiple coaching sessions, an already capable rep I manage has become more disciplined about making a schedule and following it." (*Wendy Smith, sales manager, Cardinal Health*)
- ▶ "Now that we've implemented a coaching strategy, we have an important piece we'd been missing. We're clearer about the kind of salespeople we want to develop. And we're protecting the investments we've made in giving our people solid selling skills. Implementing a comprehensive coaching strategy and compensating and training sales managers for their coaching role is tough to do. You're asking people to change the way they spend their time—not just for a few days in training, but every day. The only way to develop people is to make coaching a part of your overall business processes—from the way they interact with customers to the way they calculate paychecks." (*Chuck McCreery, manager of sales education and training, Diebold, Canton, Ohio*)
- ▶ "We asked ourselves whether we were doing the right thing to pull people off their jobs to train them. We had to answer 'yes.' Coaching helps our salespeople understand and execute our changing strategies for taking products to market." (*Emil Stefkovich, vice-president of merchant sales, Mead Corporation, Dayton, Ohio*)
- ▶ "Salespeople love to know how they're doing. But sometimes they focus on the results and don't look at the activities that produced them. Our coaching helps people focus on key issues, get feedback, and make mid-course corrections so that the results come out as anticipated." (*David Dodge, vice-president of sales, Sterling Software, Dublin, Ohio*)

coaching. Instead, they provide management training and advanced sales training, which are helpful but inadequate.

Untrained sales managers who try to coach might do more harm than good. Says Sterling Software's Dodge, "People who critique sales calls poorly may think they are coaching. But what happens is that the critiqued salespeople end up not wanting anyone going with them on calls—ever."

Effective training in sales coaching must fit the organization's expressed definition of coaching. The definition should be understood and accepted throughout the sales organization. The training also should clear up confusion about whether coaching is already occurring and whether it is useful.

The training should enable sales managers to

- ▶ identify the desired performance outcomes
- ▶ create development plans to meet performance goals
- ▶ guide and motivate salespeople to improve performance
- ▶ establish a developmental climate based on collaboration and a shared commitment to achieving results between sales managers and their salespeople.

One way to ensure that the training sticks is to involve sales managers in sales-staff development programs. The managers can help design and deliver the programs, aligning their sales training with organizational strategies.

At the Wrigley Company in

Chicago, Illinois, coaching is an integral part of sales training. The chewing-gum company created task forces to identify the steps its salespeople and sales managers needed to take to ensure customer satisfaction. The task forces established benchmarks for sales performance that highlighted the areas in which people required coaching.

"In the past, when our sales representatives completed training and went into the field, we had no idea how the skills were being reinforced," says Division Manager Steve Hurlburt.

"Some reps might receive coaching on setting up store displays; other reps might get coaching on selling. It depended on the skills and experience of the sales manager. Now, we have a development process based on benchmarks for successive stages in a salesperson's career.

"The process includes training salespeople in critical skills and training sales managers to identify their staffs' strengths and weaknesses. Our managers are trained to assess which stages their people are in and what skills they should have mastered. Through training, managers gain the confidence, knowledge, and tools to coach people effectively."

Effective sales coaching helps develop salespeople, makes sales training more effective, increases customer satisfaction, and even helps an organization achieve its financial goals. But first, top-level managers must agree on an organization-wide definition of coaching, support the coaching with training, focus resources, and make sales coaching a high priority. ■

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