

Sales Management: Better Decisions = Better Sales Performance

Sales performance is driven by a variety of actions often requiring decision-making to be fast and furious. When sales managers are faced with making decisions that impact the sales performance of their team and there is pressure for them to make quick decisions, indecision can take hold. Indecision can impact the sales team in four ways: 1) perceived lack of support, 2), a signal that no one cares about the sales force, 3) a signal that mediocre performance is tolerated or, 4) perceived or real jeopardy of the sale. It is easy to understand how indecision can take hold when you consider the immense weight on sales managers to meet their budgets and respond to corporate, client and sales force pressures. Throw in an overwhelming amount of data, reports, and facts to analyze and the fear of making a mistake can paralyze decisions.

Follow a Process

Wise decisions are decisions that are made using a definite process. They often begin based on the values and perceptions of the decision-maker but when decisions include a carefully considered process they are less likely to be contain bias. The crux of making good decisions isn't so much doing things right—it's making sure that you focus on the right things. Most of the time managers make decisions based on information that is processed in a short period of time. The results are usually accurate and the decision often correct. But, when sales managers find themselves unable to make a decision working it through in a systemic manner can help. The following process can be applied to any situation where a decision must be made. If you follow the five stages of decision-making, you might find yourself making decisions that are wiser and positively impact sales performance:

Stage 1: Identification of the problem/situation. First, ensure that this is your decision to make and if it isn't give it to the right person. Properly identifying the problem or situation may be more difficult than first thought because many issues can cloud the problem but targeting the real issue is critical to making a decision. Specifically describe what decision must be made. Identify and solicit involvement from key stakeholders who should be involved in making the decision or will be affected by actions resulting from the decision-making process. It is also very important to approach every decision with an eye to the long term outcome.

Stage 2: Identification of the criterion. Criteria can come from the company, prospect, client or the sales department. Look for measures, standards or conditions that effect the decision. Write down all the criteria impacting this decision. Few decisions are based on only one factor. Stakeholders can identify the relevant decision criterion but be sure to consider costs, schedules, risks, etc.

Stage 3: Assign weight to criteria. Weighting the criterion will help identify the relative value each carries to the decision you have to make.

Stage 4: Identify and list alternatives. In any decision-making process alternatives need to be identified and reviewed before making the decisions. Brainstorm as many different alternatives as you can imagine. This is also a good way to use stakeholders, if appropriate. Let your imagination run free and try not to censure anything. This is not the time to be judgmental. Just be sure to write everything down. Get as much information as you can on each alternative. Additional information often points to more alternatives. Places where you can look for information are from data, professional organizations, federal and state agencies, online services, newspapers, magazines, books and so on.

Stage 5: Choose the alternative. Evaluate alternatives based on the criteria previously identified. Picture what the outcome of each alternative would look like, identify which of the alternatives is most likely to happen, and choose the alternatives that best meet the values of your group and the company. Do evaluate them against potential risks. If you feel you can live with the alternative as well as the possible outcome, this is likely the decision you should follow. Decisions should also include periodic reassessments of the outcome to ensure your and your team is on track. Engage two-way, open communication among all the stakeholders so they will provide guidance, relevant information needed for assessment and provide buy-in for the new decisions.

Once you have made your decision, move forward with it and don't second guess yourself. The advantage of this process is that it allows you to do your very best for the present. It helps you make decisions that you can more easily defend because of the process you followed and the stakeholders you involved. Better decisions are also made because you considered and are aware of the risks. This type of decision-making also helps you eliminate bias and be less emotional. If the outcomes are not what you expected or you are not happy with the outcomes you will have an easier time making changes, if stakeholders are involved. With such a clear blueprint for decision-making you should be able to see an improvement in sales performance.

Linda Hanson is President of LLH Enterprise a 21 year old firm, providing companies with a broad range of performance enhancement, process improvement, and planning programs and solutions. For more information call 416-239-6103 or visit www.llhenterprises.com.