

FIRST-LINE MANAGERS STUDY 2016

A study by Mercuri International, the University of St. Gallen and the Ruhr University Bochum

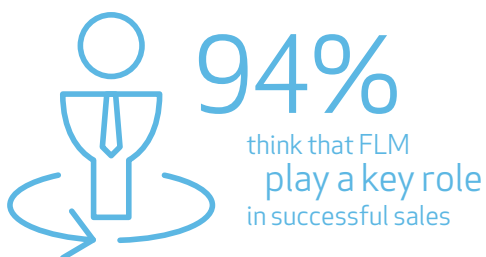


WHY FIRST-LINE MANAGERS ARE NOT INCREASING THE PERFORMANCE OF THEIR SALES TEAMS!

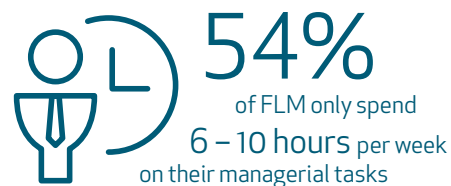
First-line managers (FLM) play a crucial role on the sales front. They manage the business at the level above the sales teams. They help to implement growth and profit targets. Or not. »Whether they are a bottleneck or gateway to the market« is heavily dependent on the organisational framework conditions and qualifications.

(Prof. Schmitz, Ruhr-Uni Bochum)

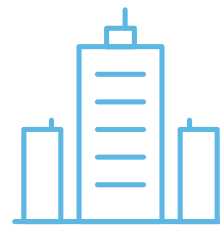
FIRST-LINE MANAGER ARE IMPORTANT ...



... BUT ALSO HAVE LOTS OF POTENTIAL FOR IMPROVEMENT



The current study by Mercuri International, the University of St. Gallen and the Ruhr University Bochum shows that FLM are not providing their sales staff with sufficient direction and support. There is a high to very high need for professionalization. The FLM are often former sales staff themselves and are not born analysts and concept developers per se. They often act from the heart and based on their sales experience. They also invest too little time in effectively managing their sales teams. A committed sales person prefers to concentrate on sales instead of managing their employees. The reasons behind a failure to reach targets were said to relate to product and pricing policy rather than the quality of sales. In this context, it is worth a better and more consistent analysis and support of the management level and creating a basis for implementing significant increases in performance of up to 33%.



763
companies

took part in the
survey



» He (the FLM) is like a good football coach on the bench/in the training area and not a player-coach who is constantly taking to the pitch himself to score goals. «

Oliver Zipper (Strategic Marketing Manager),
BGH Edelstahlwerke GmbH

THE SOLUTION – BETTER STRUCTURES, MORE TIME AND QUALITY



5 LEVERS FOR GREATER PROFESSIONISM IN THE DEPLOYMENT OF FLM

1. Organisation and manager-to-staff ratio
2. Tasks and competences
3. Selection and evaluation of FLM
4. Empowerment and development
5. Management and guidance of FLM

1. Organisation and manager-to-staff ratio

A sales team cannot be managed from the office. Intensive personal contact with sales staff and joint activities on the market are critical for success. The manager-to-success ratio is limited by this; 4 to 8 sales staff per FLM is the optimal number.

»FROM TOP SELLER TO TEAM MANAGER – THIS IS A TYPICAL SALES CAREER«

Inexperienced managers have to ensure the experienced sales staff are committed to the company goals. And without support, this cannot work!

2. Tasks and competences

It is at least as important that FLM are not deployed as sales staff and key accounts managers at the same time. Their roles should focus on management and not sales. They require a certain degree of expertise to make decisions on terms and incentives within a fixed framework.



3. Selection and evaluation of FLM

These points also play an important role in the selection of FLM. The most successful sales person will not necessarily be the best FLM. Analytical and emotional competences are important characteristics. Regional potential, customer potential, purchasing and sales processes and sales behaviour in terms of market development and customer contact must be analysed. This forms the basis for directing sales staff to perform better. The principle of »promote & encourage« applies here. Motivating goals, individual support and clear feedback are crucial. Since sales staff are rather sensitive beings who love their »lone fighter« mentality and have a substantial degree of freedom in organising their work, this management task is particularly difficult to resolve.

4. Empowerment and development

The following themes are a focal point in the development of FLM:

Sales management:

Translating and managing concrete and sales-specific market development activities with the platform model and RAC/QQR principle.

Management in sales:

The different behavioural styles of sales staff and consequences of customer contact must be understood. Develop an appropriate and motivating individual management style. Structure and carry out target agreement discussions, feedback conversations and annual talks. The most important focal point: to make the development of sales staff through sales coaching one of the most challenging activities for FLM.

Sales coaching is not an evaluation but rather the joint development of concrete market development tasks. This places high demand on FLM in terms of time management.

5. Management and guidance of FLM

FLM also need to be managed. The basis for this is having the right KPIs which makes the approach to the goal more transparent. From different hit rates to indicators which reflect the implementation of the strategy in sales (e.g. discount developments, customer/customer group penetration, development of new and existing customers, implementation of sales approaches such as solution selling). And the issue of coaching plays an important role here too. The superiors of FLM should also see themselves as coaches and actively support key activities such as employee discussions and sales meetings.

SUMMARY

FLM, correctly deployed, are crucial to achieving greater sales success.



8 sales staff
on average
are managed by a FLM

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» Nowhere else is the readiness for change greater than in sales. Genuine performance increases in sales staff are only achieved if the FLM dedicate significantly more management time to them and deploy them correctly. «

(Quote from study participant)