

## **Incentives: The Fool's Gold of Sales Management**

### **Two Definitions of Insanity**

As I was reading through a pile of sales journals recently, it struck me how much emphasis is placed on motivating salespeople. In one popular magazine, over 25% of the content and 40% of the advertisements were dedicated to motivational strategies and incentive programs. In fact, there are large trade shows dedicated to nothing more than incentives. From gift certificates to cruises, it appears that increased sales performance is no more than a quarterly contest away.

The reason I find this odd is that of all the sales forces my colleagues and I have observed over the years, we've encountered very few unmotivated salespeople. Most salespeople work hard. However, we do see a lot of salespeople who are frustrated with the results they're getting from their effort, and they don't know what to do about it. Will trying even harder really be the breakthrough change to take them to the next level of success? Doubtful.

Albert Einstein defined insanity as "doing the same thing over and over again expecting different results." If this is true, then my definition of sales insanity is selling the same way, just a little harder, and expecting a lot more sales. While it is appealing to believe that working more will produce more, this idea is the fool's gold of sales management. The reality is that most salespeople are working near their capacity. What they really need is help finding new ways to sell better. Sales managers must recognize this fact and spend more time educating than motivating.

### **Poor Performance Does NOT Mean Lack of Effort**

A fundamental assumption of the 'work harder' mindset is that poor sales performance results from a lack of effort. Interestingly, we often find that the poor performers in a sales force are working at least as hard as the top performers. They're simply doing the wrong things.

We recently worked with a low-performing salesperson who called on an epic number of prospects and customers across a widely dispersed geographic territory. From the sheer volume on his call reports and mileage logs, one might have expected him to be a superstar producer. However, after riding with him for only 45 minutes, it became very apparent why he was one of the lowest performers in the company. He took every . . . and I mean every . . . opportunity to engage any prospective customer, indiscriminately approaching all creatures that walked and talked in his territory. Yes, he worked hard.

This salesperson's problem was not a lack of effort; it was a lack of focus on high-potential clients. He actually needed to narrow his client roster and dig deeper into a handful of larger accounts. I am sure that a lavish sales contest would have nevertheless kept him on the road an extra hour a day calling on more and more prospects further and further down the food chain. And his sales probably would have shown a blip, unfortunately reinforcing the 'work harder' red herring. Yet the diminishing returns on his effort would have eventually landed him in our 'frustrated salesperson' category, where he likely would have been labeled with a 'morale problem' by his sales manager. Time for another sales contest and another blip.

### **The Road Less Traveled**

The truth is that poor sales performance rarely derives from lack of effort. The culprit is usually poor selling skill or lack of account strategy - neither of which can be overcome through longer hours in the field, and neither of which is readily apparent to a salesperson. Correcting skill and strategy issues rests squarely on the shoulders of the sales manager, not on a bigger call log. Most sales managers will acknowledge this fact, but their daily planners will reveal that their energy is spent elsewhere.

To be fair, it is much easier to motivate a sales force than to change it. A single incentive program affects every salesperson and can be outsourced, while managing and coaching is a one-on-one effort that is difficult and draining. With today's workforce already spread thin, it's no wonder that the road less traveled is the one where sales managers spend 75% of their time working with individual salespeople to improve their skills and strategies. But this is the only road that will enable a salesperson to break through the ceiling and perform at the next level. It is the only path to a better sales force.

### **A Reality Check**

I'm not suggesting that motivation is unimportant. In fact, in a highly transactional sales force, greater effort usually will result in increased sales. Even for a consultative sales force, motivation is a necessary component of a manager's job. But it should be applied judiciously to either bolster a languishing salesperson's attitude or to stimulate a specific, short-term behavior (e.g., introducing a new product). Motivation cannot be used as a primary means of improving or sustaining sales performance, because it cannot improve salespeople. It can only cause blips.

The only way to improve and sustain sales performance is to develop the selling capabilities of your salespeople. Ultimately, this can only be done one salesperson at a time, addressing the unique strengths and weaknesses of each

individual. Motivational programs are not a stand-in for good sales management. You simply can't motivate your way to a better sales force.

Rather than spending tomorrow wondering how to improve the effort of your sales force, try this exercise as a reality check. Write down the name of every salesperson on your team and ask yourself two questions about each:

1. Why does the salesperson lose sales?
2. What could they do differently to win the business?

If your answers don't contain the words 'unmotivated' or 'work harder' (and I bet they won't), then it's time to stop motivating and to start a journey down the road less traveled.