

"The State of Motivating Salespeople in 2016"

For the second year in a row, we surveyed over 200 sales managers, sales directors and VP Sales to gain insight into sales management heading into the mid-part of 2016.

We focused on coaching, competitions, compensation, training, motivating salespeople and where we, the sales management industry are heading, and most importantly - how we can improve our future!

At the start of every year, I read a handful of articles online predicting "The Death of The Salesperson". E-commerce, the internet and an increasingly globalized world have many predicting the death of the salesperson. 2016 they say, is the year that we finally get rid of those pesky salespeople. This isn't a new thought though. In fact, we've been predicting "the death of the salesman" for more than 50 years.

In the 1962 book "The Vanishing Salesman," author E.B. Weiss wrote about the "new age of self-selection and self-service" and how pre-selling, branding, and advertising would eliminate the need for traditional salesmen. 1962! Clearly we are grossly underestimating the role of sales in business.

However, I understand why these pundits think the way they do. It's logical that many industries won't require salespeople moving forward, as the internet, self-service and e-commerce replaces the role of the salesperson for many products and services.

However, what most people don't understand is that - as sales becomes obsolete in one industry - a new, often technology-driven industry pops up, and requires a sales force to push their new product into a new market of customers.

These new industries and customer demands mean that sales is changing, and how we motivate, manage and build sales teams needs to change with it.

With this short report, we aim to highlight some of the ways in which sales management is changing, but also touch on some of the area's where we are clearly lagging behind.

The report is split into 4 sections:

1. Motivating Salespeople - what works and what doesn't?
2. Sales Coaching
3. The use of Sales Competitions as a Motivator
4. The Future of Sales Management

James Pember
Founder and CEO - Sparta (Hysminai AB)

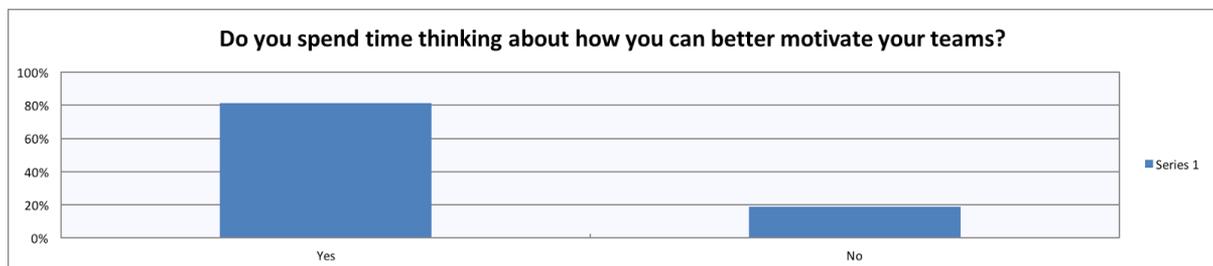
Part 1: Motivating Salespeople

The importance of having a motivated and engaged sales force cannot be understated. The numbers speak for themselves. Salespeople who are motivated and engaged in their work produce new revenue at double the pace of unengaged reps.

"Top-performing sales people are twice as likely to be “engaged” in their work and there is a strong statistical correlation between an engaged representative’s confidence in their company and their sales results. Engaged reps produce new revenue at almost double the pace than those who are not as emotionally vested". (Source: [Rewards and Recognition: Employee Engagement](#))

So what did we find?

80% of sales leaders survey spend some amount of time thinking about motivation, and specifically how they can *better* motivate their teams. This is clearly a positive.

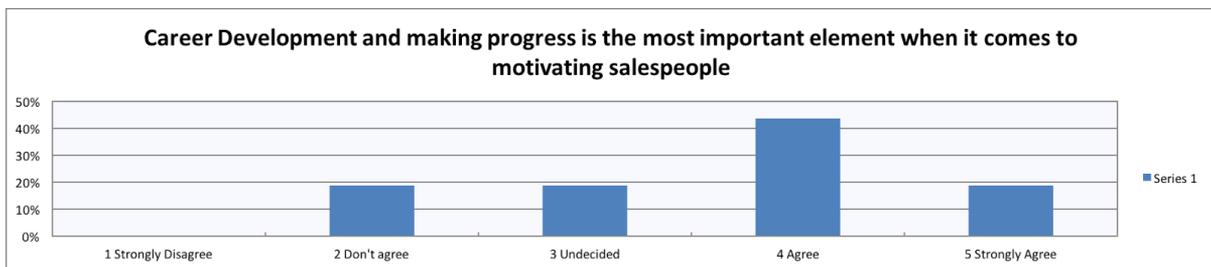
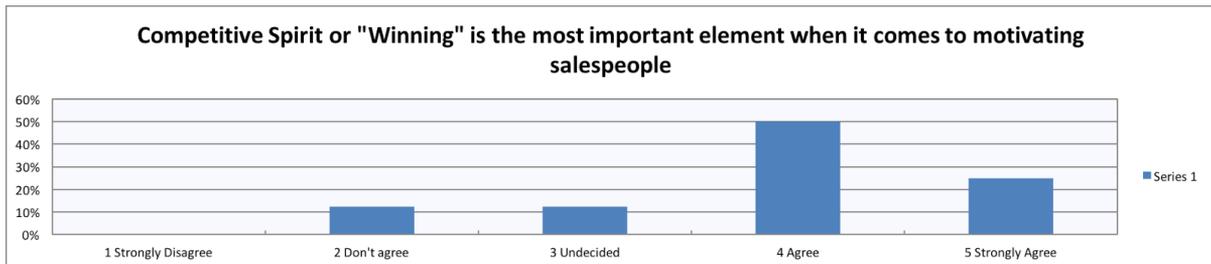
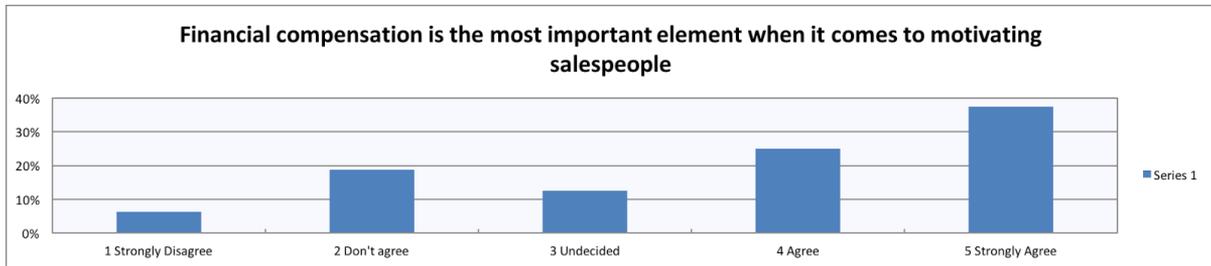


Ok, so the majority of us understand the value of having motivated staff, but what keeps them motivated?

When it comes to motivating salespeople, there are normally 3 factors that come up time and time again:

1. Financial Compensation
2. Tapping into Competitive Spirit and a desire to win/improve
3. Career Development / Opportunities

We asked you which factors you believe drive motivation and here’s what the results look like.



Key Takeaways?

- 50% of respondents *Strongly Agree* with the statement that Competitive Spirit is the strongest driver of sales rep motivation.
- 43% of respondents *Agree* with the statement that Career Development is the most important motivation factor.
- Interestingly, 38% *Strongly Agree* with the statement that Financial Compensation is the strongest driver of sales rep motivation and engagement.
- **Bottom Line: there is no 100% clear winner here. As an industry, we are slightly unsure what it is that truly motivates our staff.**

However, we must disagree with a lot of the respondents. All of the studies and research point to the fact that financial compensation is not the best long term drive of engagement, motivation and most importantly - sales performance. However, only 28% of respondents disagreed with the statement.

We're at a cross-roads in sales management. The data, the research and the science is telling us to focus on non-financial motivators (such as *recognition, accountability, feedback, career development, team collaboration and competitive spirit*), however financial compensation is still such an entrenched element of building and running a sales organisation today. It's hard to break old habits and traditions.

I believe this will change, however it will take some time, proven by the results above.

Part 2: Sales Coaching

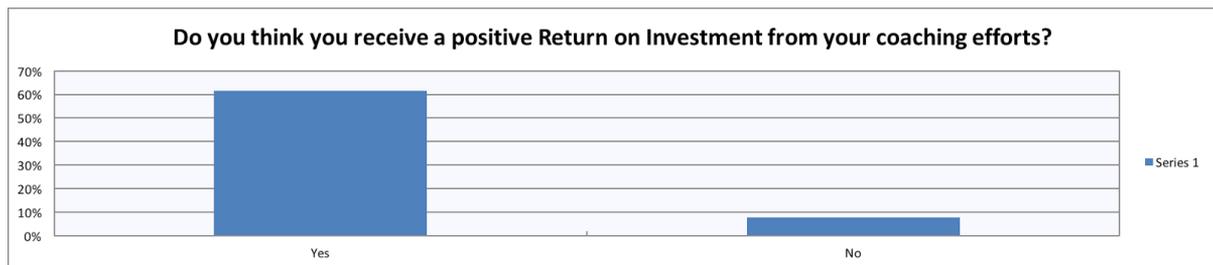
There is no doubt about it. The best sales teams coach their teams to improve extremely efficiently. Great coaches build winning teams.

We asked our 200 sales leaders about sales coaching and here were some of our findings.

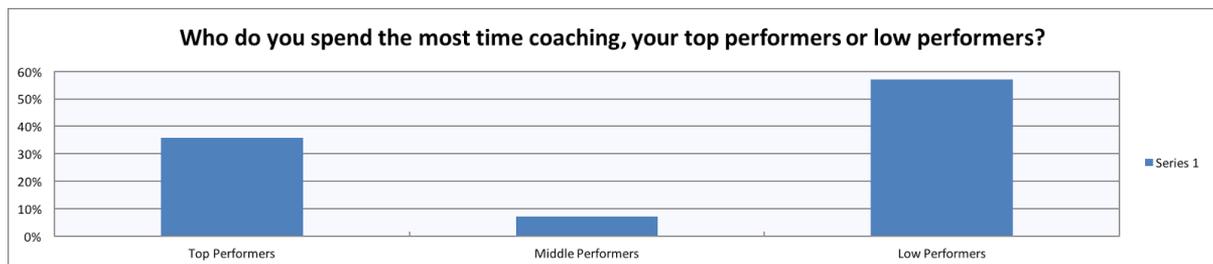


Firstly, a positive. 60% of surveyed sales leaders spent at least a few hours per week on coaching.

The ROI of Sales Coaching



Who should I coach?



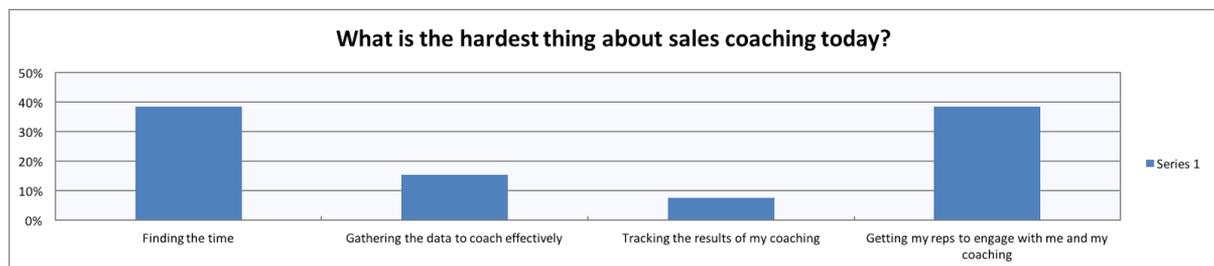
Our second question and its responses reveal a huge disconnect though. 60% of respondents revealed that they spend the majority of their time coaching "low performers", and only 8% of respondents spent the most of their time coaching middle performers.

Sparta Tip: Spend the majority of your time on Middle Performers. Why? All the potential for revenue/sales growth lies in helping your Middle Performers. Middle Performers clearly have the potential and talent, otherwise they'd be Low Performers. Normally, Middle Performers just lack motivation, clarity of purpose, clear goals and a little love and recognition.

Coaching top performers is typically a waste of your time, given they are normally performing close to their maximum, and coaching low performers can equally be a time waster - unfortunately some people just won't crack it in sales.

Just do the math. Would you prefer to get 5% extra out of your top 10% per month, or 5% extra out of your middle 60% per month? The answer tells you where you should spend the majority of your time.

Next up: what are the challenges when coaching salespeople?

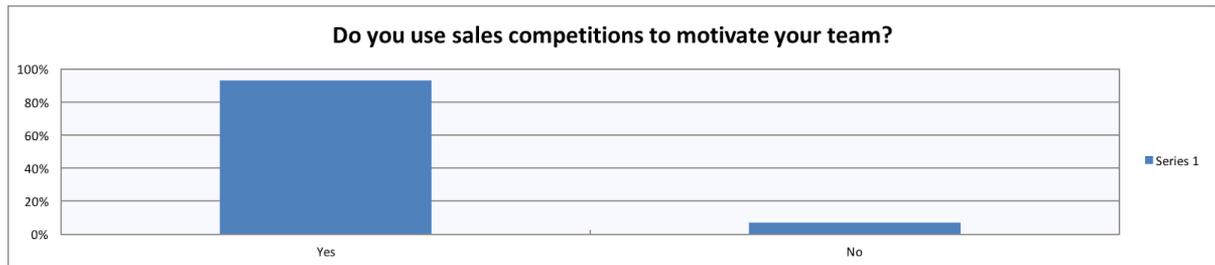


According to our respondents there are 2 critical challenges they face when trying to be a great sales coach:

1. Finding The Time
2. Getting reps to engage with coaching initiatives

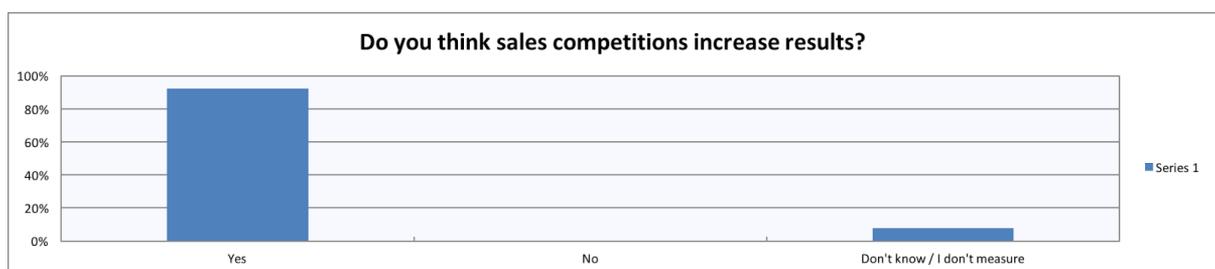
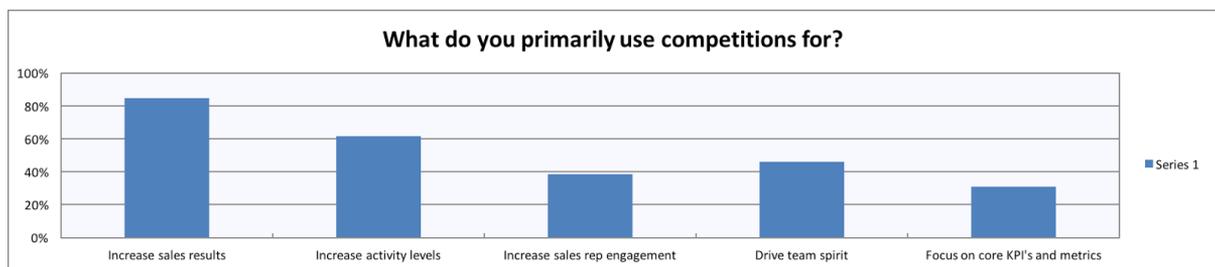
Sparta Tip: Make use of technology. There are so many fantastic solutions out there to make coaching easier. Find more time by enabling Peer-To-Peer coaching, use a mobile/app solution to automate “coaching on the fly” and use a solution like Sparta to ensure that coaching is delivered in a way that is fun, engaging and relevant for sales reps.

Part 3: The use of Sales Competitions to drive Motivation



Right off the bat, almost every sales leader uses competitions to motivate their teams, across almost every industry imaginable - retail, telecom, financial services, b2b, media, manufacturing and knowledge work, just to name a few.

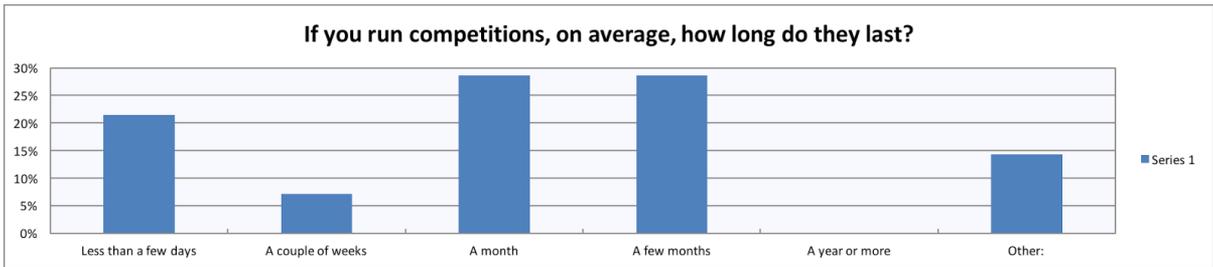
Why do we run competitions?



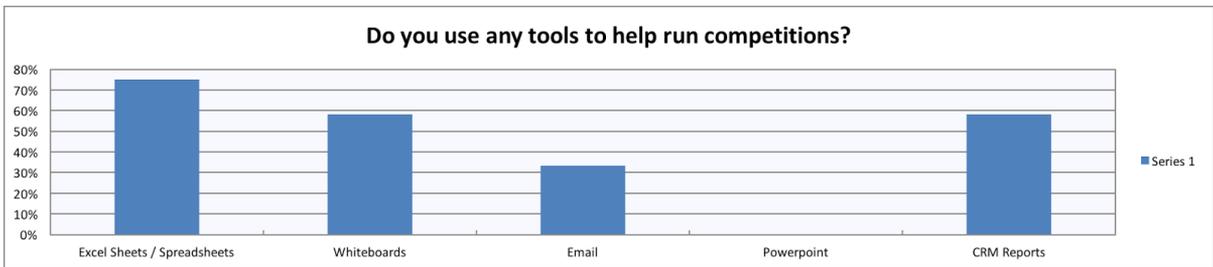
The positive is - we've all understood that competitions are a great way drive sales growth (by increasing activity levels, engagement, spirit and focus).

How are we choosing to configure out competitions?

Most leaders responded that they use competitions on a monthly or quarterly basis. Most competitions are either a few days, or a month or more. In general we think shorter competitions are better in terms of driving motivation, participation and focus.



Running competitions - The Toolbox

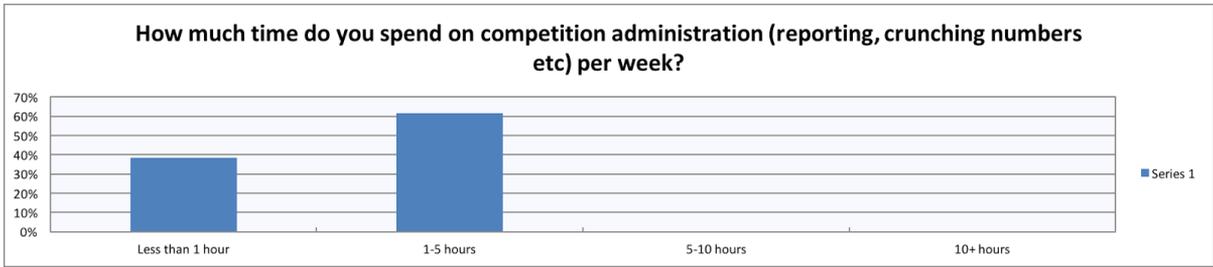


As expected, Excel Sheets, Whiteboards, Email and CRM Reports are still the tools we rely on to run competitions.

Clearly, we are biased - however we think a purpose built solution for competitions, coaching and engagement is a MUST in 2016. Check out our sales performance solution Sparta at www.spartasales.com

Why do we think it's so important with a purpose built solution? The main one is time. Purpose built solutions automate all of the grunt work associated with running competitions - leaving you more time to focus on coaching and improving the performance of your team.

Filling in spreadsheets, writing emails, sending updates and double checking scores is a COMPLETE waste of a sales leader's time in 2016.



Part 4: Summary and The future of Sales Management

Everything is changing in sales. The customer's are far more informed, digitalization and the internet is automating either the whole sales process or parts of the sales process, meaning we must adapt.

We can't "dial for dollars" anymore, we can't have "robots", telemarketing is less effective than ever. **Having an engaged and motivated workforce is critical to success in 2016 and beyond.**

Here's what our respondents had to say about the future of sales.

