

The 7 Attributes of the Most Effective Sales Leaders

By: Steve W. Martin

Every salesperson knows the quality of their sales manager will have a profound impact on their own success. A recent study I conducted proves this point. Sixty-nine percent of salespeople who exceeded their annual quota rated their sales manager as being excellent or above average. In addition, the quality of the sales organization is directly associated to the quality of sales leadership. Fifty-six percent of salespeople who rated their sales organization as excellent also rated their sales manager as excellent—compared to only 3% who rated their organization as average.

If the best sales organizations have great sales leaders, what separates high-performing sales leaders who exceed their quota from underperformers who miss their quota by more than 25%?

To find the answer to this question, over 400 sales leaders (vice presidents of sales and frontline sales managers) completed an extensive sales management performance study. Twenty-nine percent of participants met or exceeded their annual quota last year, while 42% achieved between three quarters and all of their quota. Twenty-nine percent achieved less than 75% of their annual quota.

I also interviewed over 1,000 sales leaders to better understand the impact of management styles and personality patterns on sales success. This combination of quantitative and qualitative research provides insights about the attributes of high-performing sales leaders compared to their less successful counterparts. These attributes are described below in order of priority.

Target fixation. The best sales leaders are target and deadline driven. In personality testing, top sales managers scored 19% higher in the self-discipline facet, 20% higher in the success-driven facet, and 27% higher in the priority-focused facet than underperforming sales managers. As a result, they have the natural disposition to fixate their team on achieving their revenue goals at the exclusion of all else. They block out distractions and compartmentalize negative news that might sidetrack their team or cause their department to flounder. They keep their team focused and moving forward with a sense of urgency, regardless of the circumstances.

Command instinct. Great sales leaders establish firm command over their team by exercising the power their title and position entail. For example, they hold their team to a higher level of accountability. Seventy-five percent of high-performing sales managers agreed that their salespeople are consistently measured and held accountable against their quota, compared to 58% of underperforming sales managers. However, their authority is not autocratically administered as you might think. Rather, it is based upon establishing an environment where sales team members continually seek to prove themselves, thereby driving higher overall departmental performance. The leaders establish this culture using a “carrot and stick” psychological approach. Overachievers receive praise and public recognition, while underachievers are admonished or ostracized until they redeem themselves. In essence, the command instinct is responsible for creating the peer-pressure and attention-seeking environment that eliminates complacency.

Hiring ability. The ability to hire quality talent will determine the success or failure of the sales organization. Seventy-two percent of high performing sales managers rated the sales team they manage as excellent or above average, compared to 54% for underperforming sales managers. Conversely, 46% of underperforming sales managers rated their team as average or below average, while only 28% of high performing sales managers thought so. High-performing sales managers focus on hiring salespeople

who are skillful builders of relationships, are persuasive, and have a reservoir of experience they use to control sales cycles.

Sales intuition. Sales is a mentorship-based profession, and a key differentiator of great sales leaders is their ability to dispense tactical sales advice and add value during customer meetings. While the average sales experience for both high-performing and underperforming sales managers was 17 years, high-performing sales managers estimated they have achieved their annual quota 88% of the time over the course of their career. Underperforming sales managers indicated they have achieved their quota 75% of the time. This suggests that the depth of a manager's sales intuition—the practical knowledge gained from the experiences of participating in sales cycles and managing salespeople—is directly associated with their success.

Control orientation. Sales managers who closely monitor and strictly enforce a sales process are more likely to exceed their quotas, and the best sales leaders seek to control the daily behavior of their sales teams. Forty-three percent of high-performing sales managers responded that their sales process was closely monitored, strictly enforced, or automated, compared to 29% of underperforming sales managers. Forty-four percent of underperforming sales managers indicated they had a nonexistent or an informal structured sales process.

Coaching adaptability. Great sales leaders understand that there is a diversity of selling styles by which salespeople can achieve success. Therefore, they don't employ a one-size-fits-all coaching style. Rather, they adapt their style to suit each individual. The fact that high-performing sales managers had a higher team effectiveness factor than underperforming teams supports these statements.

A team effectiveness factor is calculated by averaging total quota achievement across the number of salespeople on the team. For example, if a team of ten sales reps who each had \$1 million quotas sold \$8 million in total revenues, the team effectiveness factor would be 80% (\$8 million of actual sales divided by \$10 million of quota). High performing sales managers averaged an 81% team effectiveness factor, while underperforming sales managers averaged 55%. One explanation for this significant difference is that high-performing sales managers have a wider range of coaching adaptability.

It's also important to note that high-performing sales managers had higher quota risk pool factors than underperforming sales managers. A sales manager's quota risk pool factor is calculated by adding together all the quotas of the salespeople who report to the manager and dividing the sum by the manager's quota. For example, a sales manager with a \$10 million quota who manages ten salespeople with \$2 million quotas would have a quota risk pool factor of two.

Strategic leadership. All sales leaders are battlefield commanders who must devise the organization's sales strategy to defeat the competition. This requires plotting the best course of action to maximize revenue using the most cost-effective sales model. Great sales leaders possess the knowledge to correctly deploy field or inside salespeople, to segment the market into verticals, and to specialize sales teams by product or customer types when necessary. This helps explain why there was a 51% quota performance gap between high-performing and underperforming sales leaders last year. High-performing sales leaders reported an overall average annual quota attainment of 105% compared to 54% for underperforming sales managers.

The sales organization is unique and unlike any other department of a company. The best sales organizations have strong leaders who exercise control and establish the code of behavior that all team members must abide by. They employ their experiences to determine strategic direction and coach team

members individually. Most importantly, they know how to keep the team on track and focused on winning.

Steve W. Martin teaches sales strategy at the University of Southern California Marshall School of Business. His new book is titled Heavy Hitter I.T. Sales Strategy: Competitive Insights from Interviews with 1,000+ Key Information Technology Decision Makers.

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