Chapter 6: Supervising, Managing, and Leading Salespeople Individually and in Teams

INTRODUCING THE CHAPTER

This chapter helps students distinguish between supervising, managing, and leading by giving them a greater understanding of the goals and activities associated with each role. They will understand how those responsible for new sales representatives must engage with supervisory activities and focus on activity-based outcomes to support the development of these new representatives.

The chapter provides a rich discussion regarding the bases of power that managers and leaders tap, from formal types of power (legitimate, reward, coercive, political, and informational) to informal types of power (expert, referent, charismatic, connection and moral). Prompting to think about what it takes to be an ethical leader, the chapter also instructs students to recognize that when they step into the role of sales manager for the first time, their boss will be looking for very specific information from them.

Continuing with the practical theme of how to approach supervising, managing, and leading salespeople, the chapter highlights the kinds of behaviors associated with "bad" sales managers. Learning how to be a good boss as a first line sales manager is necessary in order to be tapped for promotion to higher levels of leadership. The chapter then discusses leadership in terms of three theoretical, yet again practical, perspectives: leadership through systems or control, leadership styles, and the cultural or network perspective of leadership. Practical discussions of coaching, mentoring, and leading teams segues into the final discussion of the "new normal" for sales management, post-pandemic.

Chapter Objectives

After completing this chapter, students should be able to:

- Explain and describe the difference between sales supervision, management, and leadership.
- Consider how sales managers might use different sources of power or influence to problem-solve for the organization and serve as barrier-busters for their salespeople.
- Identify the skills and abilities a person needs to be a good sales manager.
- Understand how to successfully lead teams, including those that are virtual.
- Recognize the ethical challenges facing leaders and teams in the sales environment.

Chapter Outline

I. Supervising

II. Managing
    A. Sources of Power
    B. Your First Sales Manager Role: What Your Boss Will Be Looking For
    C. Avoid Being a Bad Sales Manager: What Your Salespeople Will Be Looking For

MANAGING YOUR CAREER

Asking students to reflect on the styles of leadership to which they have been exposed in their part-time jobs, internships, volunteer work, and even within the family is a good way to open the chapter discussion. Given what students have been learning about in this course, ask them to share their perspectives on what they have learned that will help them be a better employee reporting to a manager. Again, if your students are seniors who have had internship experiences, ask them to describe the types of good and not-to-good supervisory, management and leadership practices to which they were exposed in their internship programs.

SUPPLEMENTAL VIDEOS DISCUSSION SUGGESTIONS

How Great Leaders Inspire Action (Simon Sinek): Simon introduces his conceptual model — the golden circle — including What, How, Why. He shares how great leaders focus on the why behind what and how people do their work. Prompt students to engage in a conversation about times when their "why" was absolutely clear and other times when their "why" was not clear and how a leader might have impacted the situation.

How to Fuel a High-Performance Sales Team (C. Lee Smith): Lee discusses the importance of curiosity and listening in order to lead others. Have students brainstorm ways in which they can improve their listening skills and boost their natural curiosity to a higher level.

Best Practices for Developing Sales Managers (Sales Readiness Group): The video begins with a discussion of why the sales manager role is so difficult and then describes the transition from creating success by yourself (as a salesperson) to creating success through others (as a sales manager). To parallel the video's categorization of the sales manager's work – the four categories are hiring the right people, managing these people, coaching for performance, and leading for a high-performance organization -- ask students to brainstorm in small groups how they might set up an activity plan for themselves if they were promoted to the sales manager role. How can they put systems in place to ensure all of this work gets done?

QUESTIONS AND PROBLEMS

1. **What leadership elements does Nichole Wiley-Marks believe are important for a sales leader?**

   She recommends that leaders focus on coaching and leading by example. They must also set a burning vision for the team that helps team members understand the overall goals and strategy of the organization and how their work fits in.

2. **When would a sales manager be involved in supervision? What behaviors would this involve? When would a sales representative most benefit from supervision?**

   Sales managers primarily engage in supervision activities with new hires since most of the sales force works independently. Supervising new hires involves observing and directing them toward carrying out their selling and non-selling activities. New sales hires need supervision to understand what levels of activities (behaviors) are necessary to ensure success.

3. **Describe the type of activities sales managers do as part of their jobs.**

   At a very broad level, sales managers are responsible for managing the efforts of other people whose performance impacts the managers' unit performance. Sales managers are also responsible for organizing and allocating the resources to ensure that the unit's goals are achieved. In addition to organizing and managing, sales managers are responsible for motivating their salespeople and solving problems on their behalf. Sometimes that problem solving behavior looks like breaking through barriers which might be blocking people from achieving their goals.

4. **Describe the bases of power a manager has. How do they differ from those of a leader? Which power bases do you believe are most effective? Describe the power bases you might have experienced at work or in a classroom. Which are most and least effective?**

   Two different categories of power are *formal* power (legitimate, reward, coercive, political, and informational) and *informal* power (expert, referent, charismatic, connection, and moral). Presumably a manager would have lower levels of power than a leader because of differences in experiences, skills, spans of control, access to resources, etc.

Legitimate	Power associated with a position	Moderately effective (title alone does not yield respect)
Reward	Ability to distribute rewards	Can be extremely effective if rewards match recipient
Coercive	Use of force to create followership	Least effective, creates relational distance between parties
Informational	Ability to access and control info	Less effective as withholding info breeds distrust
Political	Socially & behaviorally derived power	Effectiveness depends on type of organization
Expert	Based on knowledge and skills	Quite effective as competence breeds respect
Referent	Based on likability	Typically very effective
Charismatic	Based on strong admiration	Very effective as persuasion skills are high
Connection	Connections with powerful others	Very effective as manager transfers connections to others
Moral	Based on perceived moral stature	Can be effective as one's persuasive skills increase

5. What does it mean to be an ethical leader?

Strongly ethical leaders practice a combination of transformational leadership behaviors (purposeful leadership focused on higher-order goals) and transactional leadership behaviors (encouraging others to engage in the right behaviors based on a well-constructed set of standards). Operating as an ethical leader requires that these standards are vetted across key constituents, including the salespeople impacted by any changes. Ethical leaders can pulse between the big picture and the daily details in engaging with their subordinates. They focus on sales results AND a broader set of outcomes (including salesperson behaviors, not just outcomes). They also seek to foster a fair culture.

6. What responsibilities would a new sales manager be expected to conduct?

Be prepared to provide very specific information to their supervisors in terms of sales unit results, people, and selling situations. They must also be able to discuss the status of the prospecting pipeline and how people are performing relative to their goals. New sales managers must be aware of issues or barriers that are blocking their people's goal attainment. The new sales managers must also be able to identify their top and bottom performers and also articulate their coaching plans. In discussing the health of the unit's business, the new sales managers must think about the probability of the unit's goal attainment, the realistic attainment of the unit's goals, whether activity levels are sufficient for meeting those goals, new sales strategies that support goal attainment, and trends that might be surfacing in the marketplace.

7. Leadership systems have been categorized as those involving control, leadership style, and dealing with an organization's culture or network. Explain at least two elements of each.

Let's start with the systems or control perspective. Activity-based control systems focus the salesperson's attention on making the right number of activities happen. These types of control systems are crucial for new salespeople who are learning about the cadence of a new role. Outcome-based control systems rely on compensation, motivation and reward systems to guide and direct salesperson behavior. Newer salespeople may struggle operating under a fully outcome-based model (e.g., 100% commission) since they are still learning. Capability control systems focus on ensuring that systems are in place to monitor the skills, abilities, and knowledge of the salesforce so that appropriate training and development opportunities are available as salespeople need them.

Now, let's look at the leadership-style perspective. Transformational leaders focus on serving as strong role models for their people and engage them intellectually and emotionally. The results among salespeople reporting to a transformational leader are higher than those reporting to a transactional leader, which is a leader who focused on distributing rewards and punishments as a result of salesperson performance. Servant leaders prioritize serving both the customer and the salesperson. Servant leadership appears to operate in tandem with transactional and transformational leaders. Through the three styles of leadership, the sales manager influences outcomes (transactional), shapes the emotional landscape (transformational), and focuses on others' needs (servant leader).

Finally, based on a cultural or network perspective, we find leaders who recognize that true growth and development happens when you intentionally surround your salespeople with other important influences. The leader recognizes that s/he is not the only person who can spur such development. As a result, leaders who operate through a cultural or network perspective seek to serve as architects of their salespeople's networks.

8. **What behaviors contribute to making a good coach? If you just observed one of your representatives make a substandard sales call, how would you go about giving the person feedback?**

   Good coaches prepare for the coaching session and then really focus on observing the sales representative before offering feedback. When giving feedback, good coaches ask open-ended questions and provide very specific, actionable feedback. Good coaches recognize that coaching is more than talking, you must also be a good role model for the salesperson. Coaching involves putting together an action plan with goals, metrics, a timetable, and work plan. Through the coaching process, good coaches will consistently to build value and trust with the people being coached. In the case of observing a single, substandard sales call, the coach should ask the salesperson to assess the call first. What went well? In what ways was this call like other calls you've done? In what ways was this call unique? Looking back over the call and the way that it unfolded, what changes would you make now that you've experienced the full call?

9. **What is involved with being a mentor and a mentee, and what value do these roles offer? What does someone potentially lose if they don't have a mentor?**

   Typically, a mentoring relationship involves a senior person who is supporting a more junior person. In this relationship, the mentor serves as a teacher and trusted advisor. Mentoring relationships can be formal or informal. The value of the role to the mentee is rapid learning and insight from someone much more experienced. The value of the role to the mentor is keeping current and obtaining energy and excitement from the mentee. People operating without a mentor typically do not perform as well as those who are being mentored.

10. **What are the differences between managing an in-person salesforce rather than a virtual salesforce?**

   All managers need to constantly look for better ways to do the job, set clear expectations, and support employees in reaching their goals. Managing virtually does not require new skills, but refined skills coupled with an employee engagement strategy that does not become a micromanagement approach. Important to managing any salesforce is maintain human connections with people who do not work in the same office every day. That's true of virtual salespeople but it's also true of outside salespeople who do not typically report to an office setting.

11. **Describe some of the challenges future sales leaders will face.**

   Challenges of future sales leaders include the ability to futurize and humanize the work. To futurize, sales leaders need to be looking at the work ahead and not dwelling on the past. To do so, leaders will have to pulse between the quarterly focus for driving sales result and the longer-term focus for future success. Technology will play a key role as the future unfolds so sales leaders will have to anticipate future technologies. Futurizing also requires sales leaders to stay adaptable, learning focused, and risk-accepting. In the midst of the futurizing work, sales leaders will have to also humanize the work and help their people prepare for these market and organizational changes. Humanizing work involved embracing diversity, attracting talent in competitive markets, reskilling existing employees as required, leading a purpose-driven organization, and balancing the focus on results *and* people.

ROLE PLAY

Work Colleagues and Friendships – Dilemmas

1. **Where should Kevin's loyalties lie? What do you think is going on with Cassy?**

   Kevin needs to be loyal to both the company *and* to Cassy. In that vein, during the first scene that students role play, Kevin needs to have the difficult conversation with Cassy about the time demands of the sales management role. He needs to help her understand that "things come out of left field" when you are in a management role, such that a call on Friday night at 7pm could unravel your weekend.

2. **Should Kevin take it upon himself to ask Cassy about what's causing her performance to decline? Or should he mind his own business?**

   Kevin needs to be upfront with Cassy and let her know that when people are considered for sales management roles, the organization seeks input from others in these roles. He needs to tell Cassy that the company will likely ask for him input. Since the company system documents everyone's performance, he needs to be direct and clear with Cassy.

3. **What other actions should Kevin consider taking?**

   Kevin could consider telling Cassy that he has the capacity, in his situation, to provide information that the company's leaders may not know. So, if there are other extenuating circumstances that Cassy wants people to consider in her application for a sales manager role, she might share with Kevin such information.

ANSWERS FOR CHAPTER CASELETS

Caselet 6.1: The Comeback Kid

Case Questions:

1. **What would you advise Dan to focus on, given the circumstances he is facing at Swets?**

   Internal focus

   People: Dan could adopt an internal focus and have a discussion with existing sales team members and managers where they are able to assess their qualities and learn about their view on the situation Swets is facing.

   Process: Dan could also focus on analyzing the existing sales processes within Swets's sales organization. It might be that it is not the salespeople who are causing the lagging sales results but it could also be that the company is using an outdated sales process design, for example they are not using online channels and/or social selling.

   Products/services: Dan could focus on the products and services Swets is selling, or more broadly on the value proposition.

   External focus

   Dan could also adopt a more external focus and talk to customers so that he can learn about their changing needs and use this information in building a new sales team.

One question you might ask the group is whether Dan should focus on talking to existing customers or ex-customers. The advantage of talking to ex-customers is that they are usually more open about the reason they left and/or chose a different supplier.

2. **What are the advantages and disadvantages of focusing on building the team's social cohesion?**

   Advantages

   Social cohesion has a positive effect on individual well-being. Members of a team with a strong social cohesion experience lower levels of stress and have lower rates of absenteeism.

   Disadvantages

   One of the disadvantages of focusing of social cohesion is potential group allegiance with dissatisfied members and/or leaders. Strong social cohesion within a group could also lead to alienation from other groups and/or individuals, for example new sales team members. A last disadvantage is that, within a group with strong social cohesion, attenuation of critical judgments within the group that are sometimes necessary for course correction is more likely to occur.

3. **What are the advantages and disadvantages of focusing on building the team's task cohesion?**

   Advantages

   A focus on building the team's task cohesion will result in a greater range of perspectives and problem-solving approaches. Diversity is an important factor in building task cohesion. In a changing marketplace having these different views could lead to better solutions for the customer. Also, a focus on task cohesion could result in members of the sales team experiencing greater job satisfaction as they are challenged more by others in their way of thinking.

   Disadvantages

   A focus on task cohesion could result in a lower social cohesion. Very different people in the sales team are less likely to have a strong personal bond. And one might argue that they are less likely to trust each other. It could potentially lead to excessive competitiveness with others inside the group. This lack of personal bond or even friendship might cause members to leave Swets's sales team.

Caselet 6.2: Health-Care Horizons (HCH)

Case Questions:

1. **What are the advantages and disadvantages of handing the lead to Lisa, the veteran account manager?**

   Handing the lead to Lisa would appear to increase the likelihood of a successful sale, which would ultimately result in added income for all members of his team. The disadvantage is that it may appear to be rewarding her inattention to a new customer — a customer whom she should have contacted earlier.

2. **What are the advantages and disadvantages of handing the lead to Kayla, the newer account manager?**

   Allowing Kayla to secure a new customer — at a time when the team needs a sale — should help build her confidence. It would help her team have faith that she can perform up to the challenges of the sale. Additionally, it would help in her development in becoming a more experienced salesperson. If the sale is made, she can glow in the light of her accomplish that she was responsible for achieving the team's goal. One disadvantage of handing the lead to Kayla is that, if she fails, all members of her team will lose

potential income. Furthermore, this failure may result in a diminished level of self-confidence. Even if the sale were made, some may have concerns over the level of customer service Kayla will provide. Handing the lead to Kayla might also cause Kayla to have increased doubts about her capabilities to perform in a tight situation.

3. **If you were Priscilla, how would you make this decision?**

   This will be a tough call. This also seems like a perfect opportunity for Lisa to become involved in a coaching situation with Kayla.

4. **How do you think your decision would affect the rest of the members on the team?**

   Priscilla's decision will impact the potential income of one team in light of the confidence she has in one of the team members. It is a perfect opportunity to help Kayla's development but may come at the cost of income to the rest of her team.

OTHER IN-CLASS EXERCISES

Creating a Scene to Demonstrate Violations of Power

Set up a student in advance of class to be your "confederate." After class gets underway, have that student "act out" and challenge you on something that you've pre-determined. Once the uncomfortable interaction plays out and the student has stormed out of the classroom, ask the remaining students to share their perspectives on what they just witnessed (after pretending to be a little shaken up). Then, segue into a rich discussion about how violations of bases of power create unusual and/or uncomfortable contexts. In this instance, the professor has legitimate power and the student violates social norms by ignoring both the legitimate power as well as the fact that the professor holds reward power (grades) over the student.