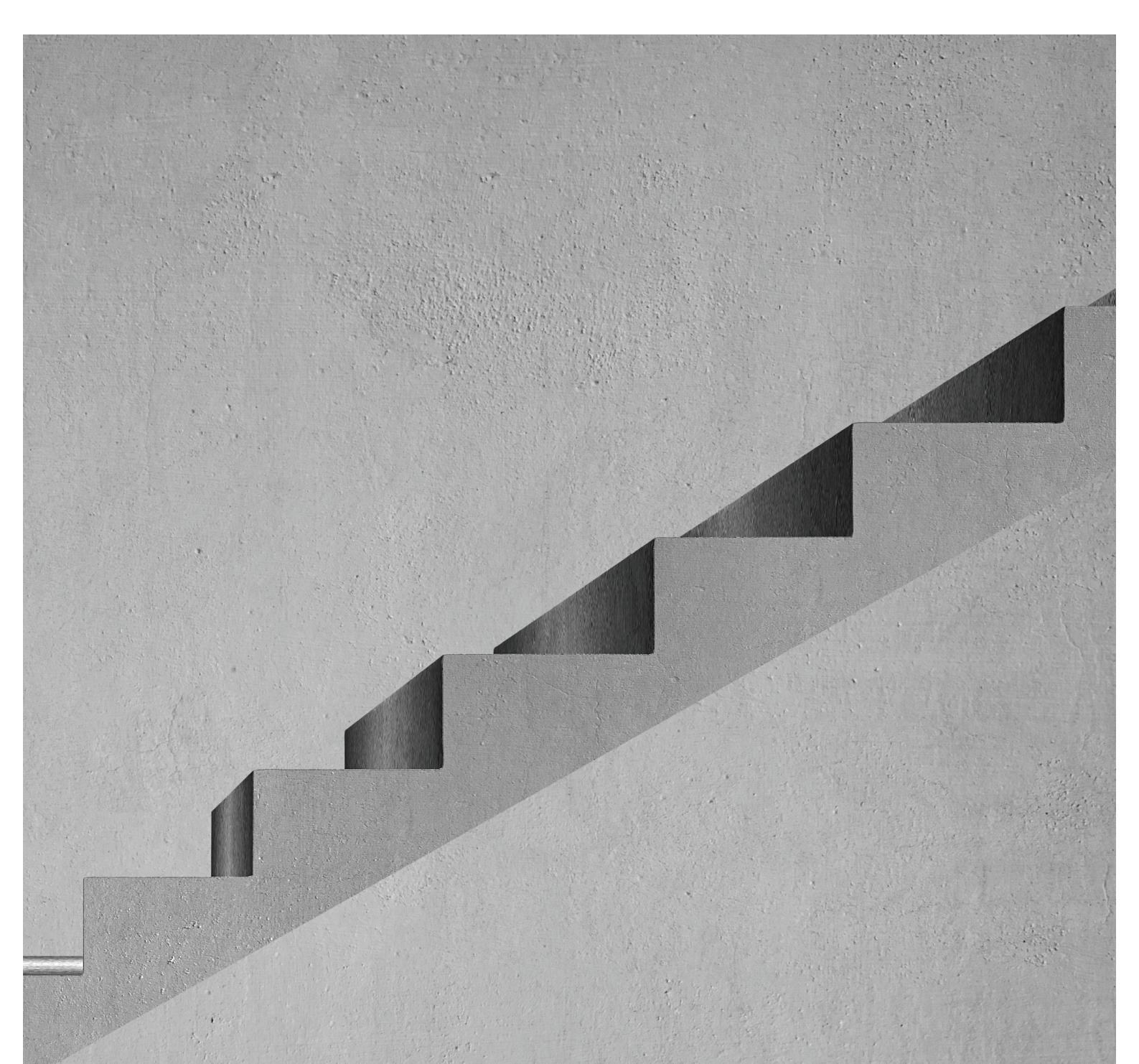


PROMOTING PROMOTION

STEVE HOYLE explores how internal promotion can best be handled for sales roles, illustrated with case studies





Many sales managers and sales directors face the dilemma, when trying to fill a crucial position, of whether to promote someone from within their team or hire an external candidate.

In most sales teams today, the pressure to hire quickly is enormous, as lack of people in the right positions means loss of orders, revenues and profit. Yet the pressure to make the right hiring decision is also very high, as we all know the cost of making the wrong decision is huge in terms of direct cost and, more importantly, lost management time, lost opportunity and lost customer satisfaction.

With many companies expanding their sales teams at the moment, I've observed, and in many cases helped, with their recruiting and selection efforts, and advised recruiting managers. It is apparent that the decision to promote internally is a difficult one. Individuals are rarely perfectly

'ready' for a role, and so there is always a risk. But equally, when you look at hiring externally there is also a huge risk and the results of the gamble will not be known for some time.

One other phenomenon is very obvious — that managers have a great tendency to view existing employees in a harsh light. These are the people that you know 'warts and all' and your perception of them is probably biased to how they were when you first employed them, rather than the reality of today. This is especially true with more junior people who may have developed themselves very quickly.

Let's look at some recent cases.

SAM'S STORY – PROMOTED TOO SOON WITHOUT PROPER DEVELOPMENT

Samantha joined her company two and a half years ago as a customer service representative, dealing with service calls from existing



customers. Her great communications skills and willing attitude helped her to get promoted after only eight months in the job to being an internal account manager within sales. This role involved taking inbound enquiries for add-on equipment and services from existing customers as well as some outbound work to get people to attend seminars or to promote special offers.

Again, her bright personality and ability to understand technical matters quite easily were big factors in her being incredibly successful in this role, both in terms of business levels and customer feedback. Within a few months she was starting to accompany salespeople on some visits to existing customers, picking up actions and becoming more involved in the day-to-day operation of the accounts.

When one of the existing account managers left about nine months ago, it was an easy decision to promote Sam again, letting her manage a number of good, but not hugely strategic, existing accounts. Initially she did very well, and her customers gave some great feedback about how happy they were with Sam's attention to detail and personality. After the early success, however, things went downhill quite quickly. Sam was good at providing a 'buying service' to her customers, but mostly lost out whenever things became

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competitive, and she was not generating much new business. In summary, her customers loved her, but she was not selling to them, and allowed the often quite wily customers to use her skills and knowledge without providing any payback.

Sam became depressed and lacking in self-confidence, as it was obvious that, despite working very long hours, her numbers, as well as the state of her sales pipeline, were not where they needed to be. Her manager had to make the decision to put her back into an internal account management role, but this time do what should have been done a long time ago, investing in a proper development plan for Sam, involving training, coaching and mentoring with an experienced salesperson to give her the insights as well as the mental toughness necessary for future success in a full sales role.

This is a reminder that it is too easy to promote someone, especially a likeable individual such as Sam, without proper preparation and planning. Hopefully, Sam will be happy to 'go back' to the internal role and enthusiastically develop herself so that she is properly prepared for an external sales role in six months or so. But there is a big danger that there will be no winners — she may have become so disheartened, or concerned about saving face, that she will find a role in another company and start over again.

SALARY LAG

One issue that comes up often is that of salary lag for people who progress through the sales ranks quickly. It is very easy to fall into the trap of your bright, energetic, motivated and ambitious people falling behind the market rate for the job, and then having to leave. Consider someone such as Lee, who had joined his current company as an inexperienced trainee internal salesperson four years ago, and was paid what was considered a good 'going rate' of £20k base plus £8k bonus and commission. Over the four years, Lee's company has had a salary review cap of 5% per year, which they would stretch to 10% for exceptional performance and promotions. In fact, Lee's managers have done their absolute best and given Lee the maximum 10% every year, and also managed to add an additional £10k onto both his basic and variable pay when he was promoted to junior account manager two years ago. His pay actually increased from a £28k package to £60k over the four years, which many people would consider to be very generous. The problem is that as an experienced, successful and still improving account manager Lee could easily command a package in excess of £80k in the market, and indeed was sometimes approached with jobs offering £100k.

Lee's current manager is now in a very difficult position. Even if he considers promoting Lee to senior account manager, Lee is in the 'at risk' category of high-performing salespeople, who are likely to be tempted by offers that would see their take home pay increase by at least 30% and maybe 60%. While the manager can do many things to motivate Lee, the effect of the salary lag is now so severe that it is almost impossible to counter. Waiting until he hands in his notice, and then pushing up his salary to match another offer, sends out all the wrong signals to everyone in the sales team.

There is only one way to stop this nonsense, and that is for sales managers to be much stronger with finance or HR managers. Any short-term decision to 'keep within budget' is just storing up problems for the longer term.

NATHAN'S STORY – NOT PROMOTED ON TIME

In the three years since Nathan started in a telesales role, he has enjoyed considerable success, especially in generating appointments for the field-based salespeople and closing simple orders over the phone. He has also driven through a number of good initiatives such as putting together some packaged bundles that sold really well, and focusing on a series of technical update seminars for the large number of smaller customers.

Nathan was given a promotion to senior telephone sales executive and a small salary increase just over a year ago. In this role he trained and mentored new recruits, and started managing some of the larger accounts that were handled by the telephone sales department. Indeed, with a few of these he had started making appointments for himself to make visits, and for over six months had become a bit frustrated that, as soon as he got the customer convinced that they should look into a big upgrade of their system, he had to hand it over to a field account manager to go in, close the deal and pocket the not inconsiderable commission.

Nathan had been getting considerable praise from his manager for some time and, eight weeks ago, he had been interviewed for the position of junior account manager in the commercial team. Four weeks ago his current manager informed him that he was not successful in that interview, saying that other external candidates were "better", had a "demonstrable track record" and brought "new blood" into the company. When Nathan asked what he could have done differently to persuade them to give him the role, his manager had been a little evasive, saying that she personally had recommended that he be "given a try" and that she felt it

was "only a matter of time" before another role came up and he would be successful. Nathan had not been entirely happy with this, and his friends in the company gave him various theories about why he had been passed over, such as "they wouldn't be able to replace you in your current job", and "in their eyes you are still that very junior individual who joined three years ago", as well as, "it's political — the commercial team would never accept that someone from telesales could be good enough for them".

None of this was very comforting to Nathan and so, when a recruitment company called him, he went along for the interview, only exaggerated a little about his experience, and ended up being offered a role as an account manager with a package nearly 50% better than his current one. Of course, he seized the opportunity.

NINA'S STORY – TAKING A RISK AND GIVING THE RIGHT SUPPORT

Three years ago, Nina was an experienced senior account manager for her integration company. She had been doing the job for some time and was competent at both new business and account management. At that time she was quite comfortable being able to work hard, but still enjoyed her passion for running marathons, as well as being a top earner in the company.

She had taken some convincing to move into a management role, but she could not really resist the challenge set by her then sales director to develop new skills (and earn more money) with him providing her with all of the coaching and support that she needed. This had worked out well for the first few months, but she suffered a little loss of confidence when her sales director was promoted to run another division. He was replaced with an individual from outside the company whose arrival was a breath of fresh air — much as Nina had enjoyed working with her old boss, this new guy oozed much more charm and sales skill. But over the months she realised that, while he had a great charismatic manner, he was also pretty disorganised, had little sense of objectives or attention to detail and the 'sales engine' that had been built up over a number of years was starting to crumble. It was not just Nina who noticed this — senior management in the company realised they had made a big mistake and fired him after a little over a year in the job.

Nina was still quite inexperienced, but had been successful as a sales manager, albeit only running one team. She had delivered the numbers consistently and was regarded as the 'number two' to the old sales director, mostly because of her tremendous knowledge of the company, as well as her pleasant yet professional attitude. She was also ambitious, had got a taste for management and thought that she could do a much better job than the previous 'joker'. She applied for the role and, while a couple of other people were interviewed, senior management did not take much convincing to give the job to a 'safe pair of hands'.

Nina was very proud to have been appointed sales director, and started off with a large amount of support from everyone around her. But soon the role started to get on top of her. There was so much to do, much of it things that she had not had to deal with previously, and she was particularly affected by being the sole person

POSITIVES OF PROMOTING

- It's the 'devil you know'
- Retains top talent
- It sends a message that motivates all
- Very quick to fill and get to a reasonable level of performance
- Understands and lives the values/culture
- Has already built relationships internally and with partners etc.
- Builds loyalty in the individual and the whole team
- Reduced hiring costs
- Reduced risk – low downside if they don't work out
- Can build smooth transition/handover plans, which reduces short-term business risk

POSITIVES OF HIRING EXTERNALLY

- Brings in 'new blood' with fresh ideas
- Boosts market and sector knowledge
- Possible new energy levels
- Probably improves skill levels if hiring process is sound
- Better upside potential of new people
- Doesn't leave a hole to fill elsewhere

carrying the sales responsibility. She had been used to a team atmosphere, and always having other salespeople around her to talk things through with. In contrast, she found that the sales director role can be a very lonely and very stressful experience.

She was working incredibly long hours and most of the weekends — and her running was now almost non-existent. Fortunately, a new group sales and marketing director was appointed and very quickly spotted the issues — Nina was a good individual, but was just out of her depth with no real support around her. A plan was quickly put together involving some training, external coaching and mentoring from the group sales director, together with a good PA. It took nearly a year for the situation to become stable and for Nina to get the sales team functioning properly, and herself adding real value by knowing what to do and, maybe more importantly, what not to do. It had been a lucky escape because she was probably promoted too early, and certainly without the help and support that anyone in a new role needs. She very nearly failed, which would have been disastrous for herself and for the business, but is now competently doing a sales director's job, learning all the time and improving her confidence.

BETTER THE DEVIL THEY KNOW?

Each case needs to be taken on its merits, but in general managers are doing too much external hiring — seeking to find a magic wand to issues that are probably more complex. By not promoting and then supporting individuals in their new roles, there is a big danger of ending up alienating not only the individuals themselves, who believe they are ready for promotion, but also the wider sales team, who will perceive a lack of career progression opportunities.

Alongside economic recovery, most industries are now seeing more growth and the market for sales and sales management jobs is expanding. In this climate, companies will no longer be able to get away with not developing, promoting and supporting good people.

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