

Under New Management:

Sharpening Your Skills
as an Auto Sales Manager

by Mike Whitty



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as an Auto Sales Manager**



Michael Learning Group



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Manufactured in the United States of America

Disclaimer

This book is written in the masculine gender for ease of writing. Michael Learning Group or the author have absolutely no bias to age or sex, and believes that any person who applies himself to the study and practice of sales management can and should be successful.



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Introduction

“The quality of leadership, more than any other single factor, determines the success or failure of an organization.”

— **Fred Fiedler**

“Excellence is not an accomplishment. It is a spirit, a never-ending process.”

— **Lawrence Miller**

Being a Sales Manager is a gift!

If you're like most Sales Managers, you came to this position because you had great success as a salesperson. But managing your own sales is not the same as managing your team. As a salesperson, you could easily measure your success through numbers of appointments made and vehicles sold. As a Sales Manager, your success is measured by the success of others. That's not always an easy transition to make. However, it is ultimately a rewarding one. Being a Sales Manager provides you with the opportunity to share your knowledge and expertise, and to help others grow professionally and personally. As the saying goes, when you elevate the success of others, you elevate your own as well.

Today, salespeople respect those Managers who are tuned into their needs, and who are willing to come out of their offices and give them the attention and training they want. The best Sales Managers are available whenever needed, but know when to let go and let a salesperson experience success (and perhaps failure) on his/her own.

Keep in mind that just because you were a great salesperson doesn't mean you'll make a great Sales

Manager. The best take the skills they've learned on the showroom floor, and add the traits of effective leadership. Your role as a leader will then be to encourage your people to succeed. There may be substantial monetary rewards in being a great sales leader, but the greatest reward is having helped others reach their goals. Your material possessions won't really matter once you're gone. Your greatest legacy is the people you've helped build, who are left to build others in the same way.

If you can look down the road and realize that you're changing the lives of the people on your team, that should be the major reason why you became a Sales Manager. The thrill is no longer in the individual sale; it's in your team's success. The times when you have to sit back and watch your salespeople fail are frustrating. But it's part of the job — to let go of the leadership position, where you show them how to do it — to letting them show you how they do it.

My suggestion to you is be passionate about your work, and remember that enthusiasm is catching. Be proud of what you do, and be proud of what you have to share with your salespeople. Let your effort and activity levels be a model for your salespeople to follow, and you'll find that your legacy will be intact.

Continued success,
Mike Whitty
Irene M. McDonald, Ph.D.

ps: You should know that I became interested in Management when I first became a salesperson. We had several Sales Managers in my dealership. One of them was a task-oriented New Vehicle Sales Manager who concentrated on his own agenda and pretty much stayed to himself, and one Used Vehicle Sales Manager, Roger Board, who was people-oriented and cared about his staffs success.

Roger was the type of Manager that didn't have to tell his salespeople what to do. If the lot needed to be changed, he went out to begin the process and his salespeople followed. If we had a contest, he made it fun to participate. If he came in to help close a deal, he would develop a plan of attack with you before he went in. If we were in a slump, he wanted to know why so he could help us get out of it. If we were down, he was motivating. When we came to work in the morning, we were happy he was there. He wanted us to work with him to increase sales for ourselves and the dealership, not work for him.

I'm telling you this story because I learned from the very best Sales Manager there ever was. I truly feel my success as a Sales Manager, and eventually a business owner and trainer was directly related to having known Roger. I am his legacy.

Chapter 1

Accepting Your Role as a Sales Manager?

“The conventional definition of management is getting work done through people, but real management is developing people through work.”

— **Agha Hasan Abedi**

“If you pick the right people and give them the opportunity to spread their wings — and put compensation as a carrier behind it — you almost don’t have to manage them.”

— **Jack Welch**

Accepting the role of Sales Manager is by far one of the most challenging positions within a dealership, and one where an individual has to stretch beyond the normal duties of day-to-day business. Being able to achieve goals and objectives through others will be determined by how aggressive you are in pursuing this new challenge and by how responsive you are to your salespeople. Some of the hats you’ll be required to wear are those of leader, supervisor, teacher, communicator, guidance counselor, motivator, problem solver and technical expert. As you can see, the responsibility is enormous and should never be underestimated.

Once you accept a management position, the progress of the department and the success of everyone within the department lies mainly with you. When the department succeeds, the Sales Manager succeeds. And when a Sales Manager becomes successful, the success is due to the efforts of all the salespeople who helped make it happen. So, I think you can see that the role of a Sales Manager really is a two-way street. If the Sales Manager takes care of the salespeople, the salespeople will ultimately take care of the Sales Manager.

But we know that life and working conditions aren’t

Chapter 2

New Vehicle Sales Manager Job Description

“Surround yourself with the best people you can find, delegate authority, and don’t interfere as long as the policy you’ve decided upon is being carried out.”

— **Ronald Reagan**

“Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.”

— **Stephen R. Covey**

NEW VEHICLE SALES MANAGER

¹New vehicle Sales Managers are responsible for displaying and maintaining new vehicle inventory. Managers ensure customer retention by hiring, training and evaluating their sales staff to be customer-focused. Sales Managers also strive to have their sales team meet daily, weekly and monthly to set vehicle sales quotas to ensure profitability.

Sales Managers are expected to uphold the highest ethical standards.

• JOB DUTIES

Job duties for a new-vehicle sales manager include:

— Forecasting goals and objectives for gross and net sales and key expenses on a monthly and annual basis and preparing an operating budget for the department.

— Hiring, training, motivating, counseling and monitoring the performance of all new-vehicle sales employees as well as processing commission sheets and monitoring payroll.

Chapter 3

Used Vehicle Sales Manager Job Description

“Hire people who are better than you are, then leave them to get on with it . . . ; Look for people who will aim for the remarkable, who will not settle for the routine.”

— **David Ogilvy**

“When hiring key employees, there are only two qualities to look for: judgement and taste. Almost everything else can be bought by the yard.”

— **John W. Gardner**

USED VEHICLE SALES MANAGER

Used vehicle Sales Managers are responsible for the appraisal, purchase, reconditioning, display and merchandising of the used vehicle inventory. Managers ensure customer retention by hiring, training and evaluating their sales staff to be customer-focused. Sales Managers also strive to have their sales team meet daily, weekly and monthly vehicle sales quotas and to make sure that their department is profitable.

Sales Managers are expected to uphold the highest ethical standards.

• JOB DUTIES

Job duties for a used vehicle Sales Manager include:

— Forecasting goals and objectives for sales, gross and key expenses on a monthly and annual basis and preparing an operating budget for the department.

— Hiring, motivating, counseling and monitoring the performance of all used vehicle sales employees and processing commission sheets and monitoring payroll.

Chapter 4

General Sales Manager Job Description

“The secret of managing is to keep the guys who hate you away from the guys who are undecided.”

— Casey Stengel

“I believe the real difference between success and failure in a corporation can be very often traced to the question of how well the organization brings out the great energies and talents of its people.”

— Thomas J. Watson, Jr.

GENERAL SALES MANAGER

¹ General Sales Managers are responsible for profitability in both the new and used vehicle departments and for customer retention. To achieve this, they must effectively manage sales personnel, have a strong knowledge of the market, and an in-depth understanding of all sales departments’ financial data as well as strong customer relations skills.

The General Sales Manager is expected to uphold the highest ethical standards in every aspect of the job.

• JOB DUTIES

Job duties for a general sales manager include:

— Creating the annual dealership sales forecasts by estimating total vehicle sales, gross and operating profits as well as expenses for the new and used sales departments.

— Meeting with vehicle Sales Managers to plan and implement objectives for achieving sales and gross profits.

Chapter 5

What Differentiates Leadership from Management?

“Focus on a few key objectives ... I only have three things to do. I have to choose the right people, allocate the right number of dollars, and transmit ideas from one division to another with the speed of light. So I’m really in the business of being the gatekeeper and the transmitter of ideas.”

— **Jack Welch**

“So much of what we call management consists in making it difficult for people to work.”

— **Peter Drucker**

People are usually promoted into Sales Management because of their seniority and sales skills and not necessarily because of their people skills and leadership skills. Merely handling the day-to-day operations of the job won’t be enough if you want to get ahead. The success of your department will be determined by the type of managing style and philosophy that you embrace. Following are some characteristics that a Sales Manager must possess in order to become an effective leader:

- **THE ABILITY TO ESTABLISH A PLEASANT ATMOSPHERE**

Your salespeople will spend approximately one-third of their lives in in your sales department; therefore, it stands to reason that if they enjoy going to work, they will be happy and productive workers. If the working climate is enjoyable and hassle-free, chances are your salespeople will enjoy being there. Management bears the responsibility to create the proper atmosphere and working conditions that will lead to employee satisfaction and high performance.

Chapter 6

What Makes a Great Sales Manager?

“I think you have to work with people, and when I talk about managing relationships, don’t think the derogatory “managed relationships”. It is a question of sharing emotion and feelings. The common denominator of everything can’t be money, and it should not be money.”

— **Anil Ambani**

“If we allow the celebrity rock-star model of leadership to triumph, we will see the decline of corporations and institutions of all types. The twentieth century was a century of greatness, but we face the very real prospect that the next century will see very few enduring great institutions.”

— **Jim Collins**

There’s no single, remarkable secret. In fact, great Sales Managers are many things. Depending on the situation, a great sales Manager is a time-management supervisor, a meeting planner, a contest coordinator, a talent scout, a coach, a trainer and a psychiatrist. All of those roles put together — and executed well — make for a great Sales Manager.

However, there are five key areas in which the best Sales Managers excel. Great Sales Managers:

1. ARE PASSIONATE AND ENTHUSIASTIC

These traits are transferred to the entire sales staff. If the leader is negative, everyone else will be pulled down. How do great managers maintain a realistically positive attitude? Great managers are great readers; they read everything they can find about their crafts and industries. They seek out mentors whose wisdom and experience can help them achieve their goals, and they encourage their salespeople to do the same. They surround themselves with high-quality people.

2. RECRUIT GREAT SALESPEOPLE

Many managers don’t start recruiting until someone leaves, which means they often settle for second best in order to fill the gap. Great managers, on the other

Chapter 7

The Sales Manager as a Coach

“There are managers so preoccupied with their e-mail messages that they never look up from their screens to see what’s happening in the nondigital world.”

— **Mihaly Csikszent**

“The most efficient way to produce anything is to bring together under one management as many as possible of the activities needed to turn out the product.”

— **Peter Drucker**

Have you ever watched a professional sports coach working with a player? It’s a hands-on event. The coach is actively involved in the process. There is pushing, directing, handling, pointing and instructing. Coaching may be a teaching process, but it’s more than just teaching.

Sports and sales are learned in the field, and they are best taught by a coach who has experienced the event in the field. For instance, a teacher could conduct a tennis class with a text, slides, film clips and overheads, but it would take a coach to show the player how to serve and volley. Until the player hits the courts, everything is theory. It’s the same with sales.

Selling skills, as well as most sports skills, are acquired through information, practice, follow-up instruction and hands-on coaching. Selling coaches understand this and become professionals at the skill of coaching. And while most successful coaches have field experience, the best players do not always make the best coaches.

The committed Sales Manager is a selling coach. His or her goal is to help others improve their competence and, ultimately, their confidence at performing critical selling skills.

Chapter 8

Turning Around a Lagging Sales Department

“Management is nothing more than motivating other people.”

— **Lee Iacocca**

“Go for a business that any idiot can run - because sooner or later, any idiot probably is going to run it.”

— **Peter Lynch**

You may be stepping into a situation where the sales department you’ve inherited is producing far below potential? You probably would have liked it a little easier starting out in your new position. But now you have the opportunity to build something with your own hands and make a silk purse out of a sow’s ear (I’ve never had the opportunity to use this cliché!)

A Sales Manager I know inherited a sales team that was ranked dead last in the region. The only producer was an 18-year veteran with the dealership. None of the other nine salespeople had more than one year of sales experience. Obviously, they were performing far below standards. The attitude in the dealership was pitiful. I heard a lot of excuses for poor performance like “lousy economy” and “our prices are too high”. But what these salespeople really lacked was a successful role model.

Eighteen months later that dealership had moved up to number five in the region, having posted the biggest increase in sales to date. Perhaps a few of the strategies used will help you improved performance of your salespeople.

Chapter 9

To Desk, or Not to Desk

“The leadership instinct you are born with is the backbone. You develop the funny bone and the wishbone that go with it.”

— **Elaine Agather**

“The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint to keep from meddling with them while they do it.”

— **Theodore Roosevelt**

As a Sales Manager, you are responsible for the sales and gross profit in your department. Though some Sales Managers take whatever the month has to give and are satisfied with that, the true professional Sales Manager knows that the sales department is his/her responsibility, and the monthly goals that have been set need to be met.

Now, I’m not naive enough to understand that there are many factors beyond a Sales Managers control that can effect your goals. And that these factors, like the economy, time of year, lack of rebates or interest rates, low inventories, can determine the outcome of whether these goals are being met. You will find that the more experienced you are as a Sales Manager at the same dealership, the easier it will be to predict some of these factors, and set your goals more realistically for those periods. With that being said, let’s talk about sales and gross profit.

Simply put, sales and profit come from one thing and one thing only, closing deals. The more deals you close, the more sales you make. The more experienced the closer, the higher grosses. You’ll find there are two basic ways a deal will be managed:

Chapter 10

Phone-Ups — The Sales You're Missing

"If it's a good idea, go ahead and do it. It is much easier to apologize than it is to get permission."

— Admiral Grace Hopper

"The final test of a leader is that he leaves behind him in other men the conviction and the will to carry on. . . . The genius of a good leader is to leave behind him a situation which common sense, without the grace of genius, can deal with successfully."

— Walter Lippmann

Everyone knows that in most dealerships, phone-ups are the least productive area in the whole sales department. There are several reasons for this:

- Salespeople hate the phones
- Salespeople are not trained to handle phone-ups
- Phone-ups are not monitored

• SALESPEOPLE HATE THE PHONE

Virtually every dealer hates to sit in his/her office and hear that phone continuously ringing without any salesperson answering the call. The receptionist will keep repeating, "Sales call line 1" and no one will pick up the phone. I have walked through dealerships and seen salespeople leaning against a vehicle talking, salespeople doing some paperwork, and salespeople reading the paper, and yet no one will pick up the sales call.

And if they should happen to pick up the phone, most of them are very courteous and will provide the prospect with whatever information they need, but will seldom ask for an appointment. I've listened to mystery shop tapes of some of the finest income earners that fail miserably on the phone. And here's the reason why.

Chapter 11

Advertising, Marketing and Sales Events

“The buck stops with me, but I can tick off dozens of very good senior executives that are responsible for hundreds or thousands of people who work for me.”

— **Rupert Murdoch**

“If the boss is a jerk, get over it. First of all, don’t you think there’s a good chance that your boss’s boss knows what’s going on? If so, just keep your head down and do the work. Usually, if you put in maximum effort and produce excellent results, someone in the company is going to take notice. Either you will get promoted or your jerky boss will get the heave-ho. It happens all the time.”

— **Suze Orman**

¹ It is taking more and more money to accomplish what a smaller budget once did. Why? One word — fragmentation. The advertising world is more fragmented than it has ever been. There is more new media and eyes and ears are looking and listening in more places than ever before.

So how do you make your dealership stand out? The rules are still the same when it comes to advertising. You need to have enough exposure to stand out. You need to be different, and you still need to make sure you have a “call to action” in your messages. However, you cannot be spread out all over the map in too many different places. More than ever, you must find a medium where you can stand out from the crowd.

Unless you are a mega dealer with loads of money to throw into your media, you need to be selective. Choose a medium where you can be larger than other advertisers. If you can’t find a medium where you can accomplish this, find a station or paper where you can be dominant. Often times, a newspaper, radio, or TV station will give you a better rate if you let them know they are getting the lion’s share of your budget. When you maximize your efficiency on one particular media

*¹ Excerpted from Tom Letizia of
Letizia Ad Team-Automotive Marketing Division*

Chapter 12

Don't Forget the Internet

“Our mission statement about treating people with respect and dignity is not just words but a creed we live by every day. You can't expect your employees to exceed the expectations of your customers if you don't exceed the employees' expectations of management.”

— **Howard Schultz**

“Hiring people is an art, not a science, and resumes can't tell you whether someone will fit into a company's culture. When you realize you've made a mistake, you need to cut your losses and move on.”

— **Howard Schultz**

If you're just using the Internet as an adjunct to the sales department, you may be losing out on a great opportunity for increased sales. Though this section won't give you a complete course on developing an Internet department, it will at least start you thinking of taking that first step.

Do you have a business plan for your internet department? I would venture to say that you don't. Without a plan, how can you ever tell if you're succeeding if you don't know what you are measuring against?

The way most dealerships run their internet departments would be like a football team that randomly assigns players to their positions, rarely hold practices or meetings, has a team where no one knows the rules and have no playbook to study, has no coach, their equipment is old, and the front office doesn't spend a dime to market the team. This team will probably make very few touchdowns, on top of making the SuperBowl.

Unfortunately this is how many dealerships around the country, whether their dealerships are large or small run their internet departments - on a wing and a prayer.

Chapter 13

Recruiting and Hiring Salespeople

“Leadership is the ability to decide what is to be done and then get others to do it.”

— **Dwight D. Eisenhower**

“Leadership has a harder job to do than just choose sides. It must bring sides together.”

— **Jesse Jackson**

Each time I browse through the want ads in our local newspaper, I can't help but notice the ads placed by the same dealerships over and over. In fact, it has almost become a game with me to see if these same dealerships are advertising again. Is their need for new salespeople due to company growth, or are they experiencing high turnover? If the reason is turnover, then how do they manage to stay in business?

The ticket to survival in today's competitive business climate is to keep costs down and productivity high. This begins with hiring the right people into the right jobs. Because when people like their jobs and can do their jobs well, everyone wins. With every successful hire you can expect:

- decreased turnover
- decreased training costs
- increased performance and productivity
- increased morale
- increased dealership profits
- greater job satisfaction
- greater customer satisfaction

But unfortunately, the responsibility for salesperson selection usually falls in the hands of new and inexperienced Sales Managers who have never

Chapter 14

Adult Methods for Training Your Salespeople

“Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.”

— **Stephen Covey**

“I don’t want any “yes-men” around me. I want everybody to tell me the truth even if it costs them their jobs.”

— **Samuel Goldwyn**

Your ideal as a Sales Manager would be to have all of your salespeople performing at the same high level of competency, very enthusiastic and motivated, and constantly seeking ways to improve their skills. If this were true, training would be an insignificant part of your agenda. In the real world, however, such ideal situations seldom, if ever, exist.

Your salespeople will likely consist of:

- new hires with little or no skills,
- long-time employees with little energy, and
- salespeople with poor or untapped skills.

Your staff will also consist of people who, for various personal reasons, are not performing even when they do have the skills. Helping each salesperson to reach peak performance will be a difficult and challenging task. But, once you begin seeing results, you’ll realize the value of your efforts and you’ll be inspired to continue.

Training is a way of helping salespeople to acquire selling skills that make them more productive. The purpose of training is to change the way people think or behave by changing their knowledge levels, skills, and/or attitudes. Learning a skill without applying it

Chapter 15

Motivating Your Salespeople for Increased Performance

“There are two tragedies in a man’s life. One is not having reached one’s goal and the other is having reached it.”

— **Friedrich Nietzsche**

“Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.”

— **Paul Hawken**

Motivated salespeople perform with excellence because they like what they’re doing and have specific reasons why they want to do well. People can only be motivated by themselves. No one can force another person to do something he/she doesn’t want to do. You may notice salespeople being highly motivated one day and less motivated the next. One salesperson may respond to incentives and contests, while another may resist them. One salesperson may be stimulated by challenges, while another may be prompted by security and stability. Pep talks and motivational tapes can revitalize salespeople for a short while but these external motivators are not as reliable as the motivators that come from within. In reality, each salesperson is different and will respond and perform according to whether or not his individual wants and needs are being met. A Sales Manager must get to know the personality behind each salesperson so he can help to cultivate the conditions that will bring out that person’s best performance.

The following are some basic reasons why people want to perform well:

- **COMPETITION**

Some salespeople like to compete against their

Chapter 16

Getting Your Salespeople to Perform

“We should place confidence in our employee. Confidence is the foundation of friendship. If we give it, we will receive it. Any person in a managerial position, from supervisor to president, who feels that his employee is basically not as good as he is and who suspects his employee is always trying to put something over on him, lacks the necessary qualities for human leadership - to say nothing of human friendship.”

— **Harry Humphreys**

“If you wish to succeed in managing and controlling others - learn to manage and control yourself.”

— **William Boetker**

A Sales Manager should go for the maximum in his salespeople, instead of just accepting the minimum. You can not run your sales department at minimum levels of efficiency. Someone once said, “a man’s reach should exceed his grasp, or what’s a heaven for.”

Outstanding salespeople have to be able to give their maximum. There is no room in your department for salespeople who don’t share your goals. If a Sales Manager gives only a minimum on the job, he can’t expect the maximum from his salespeople. If you come to work late and leave early, if you’re careless about demanding quality work, if you seem bored with your own job, people will assume an identical attitude about their own work. But if you set the right examples by giving the right examples from yourself, your salespeople will do the same.

Enthusiasm is contagious. If you’re positive about your work, the chances are, your salespeople will also be positive. It’s up to the Sales Manager to set the performance standards for your staff. If you set high standards, and then take the responsibility to make sure your staff achieves them, productivity will increase.

Chapter 17

Sales Meetings That Inspire

“When you find a man who knows his job and is willing to take responsibility, keep out of his way and don’t bother him with unnecessary supervision. What you may think is cooperation is nothing but interference.”

— **Thomas Drier**

“Don’t measure busywork. Don’t measure activity. Measure accomplishment. It doesn’t matter what people do as much as it matters what they get done.”

— **Larry Winget**

The purpose of a sales meeting is to prepare your sales staff to sell. Yet all too often sales meetings turn into boring lectures and redundant wastes of time.

Meetings without an apparent purpose or agenda are tedious and often fruitless for everyone involved. When no new information is shared, valuable time is squandered. It’s important that you don’t waste your salespeoples’ time, but you also need to avoid overloading them with information. Create a balance between planned productivity and comfortable flow. The key to almost any successful meeting is to make it interesting, useful, and positive.

Before you rally the troops for another sales meeting, consider some of the following ways to get the most out of your sales meetings:

- **GET THE MEETING OFF TO A GOOD START**

If your salespeople come in at 8:30 a.m. specifically for a meeting, these people appreciate and deserve a positive atmosphere. Make sure you come to the meeting enthused and ready to spur on the troops.

Chapter 18

Cooperation Through Praise

“When a management team with a reputation for brilliance joins a business with poor fundamental economics, it is the reputation of the business that remains intact.”

— **Warren Buffet**

“High sentiments always win in the end, The leaders who offer blood, toil, tears and sweat always get more out of their followers than those who offer safety and a good time. When it comes to the pinch, human beings are heroic.”

— **George Orwell**

A common complaint among Sales Managers is that they don't get enough cooperation from their salespeople. You have to realize that you need to give before you can expect to receive. If you want salespeople who will work with initiative, ingenuity, and enthusiasm, you have to make them feel good about their job and about themselves.

- **PRAISE HELPS TO FOCUS ON THE POSITIVE**

The main purpose for getting into the habit of praising your salespeople is because a Sales Manager too often overlooks all the things a salesperson does correctly and only focuses on the salesperson's occasional mistake. Because Managers expect certain things from their employees, they don't feel the need to compliment or acknowledge routine performance; when in essence, this acknowledgment is exactly what a salesperson needs to feel worthy.

- **CREATE A STIMULATING WORK ATMOSPHERE**

A Sales Manager's main responsibility is to motivate his salespeople so that they become outstanding workers. The success and welfare

Chapter 19

Making Criticism a Learning Experience

“If human beings are perceived as potentials rather than problems, as possessing strengths instead of weaknesses, as unlimited rather than dull and unresponsive, then they thrive and grow to their capabilities.”

— **Barbara Bush**

“Leadership is a combination of strategy and character. If you must be without one, be without the strategy.”

— **Gen. H. Norman Schwarzkopf**

Every sales department has its codes of conduct and standards of job performance. It's unrealistic to assume that salespeople working together will never be in conflict with one another or that every employee will be performing his tasks correctly at all times.

During an salesperson's orientation it is your responsibility as a Sales Manager to communicate fully what is expected from your employee so that there is a base line from which to draw conclusions later on. Keep in mind that new salespeople should be given extra support and consideration until they learn the ropes.

It is almost certain that at some time during your tenure you will have to critique or reprimand a salesperson. Sales Managers often only approach employees when they have something negative to say to them. Failing to recognize the positive side of a salesperson while only acknowledging the negative is not a beneficial approach. Salespeople need to feel good about themselves while they are learning from their mistakes.

When you reprimand a salesperson you must reassure him that it's the mistake you're upset with, not him as a person. Don't rob a salesperson of his self-esteem by belittling him. Instead, reinforce proper behavior and correct improper behavior.

Chapter 20

How to Handle Employee Complaints

“The true test of character is not how much we know how to do, but how we behave when we don’t know what to do.”

— **John Holt**

“The ultimate measure of a man is not where he stands in moments of comfort, but where he stands at times of challenge and controversy.”

— **Martin Luther King, Jr.**

Regardless of how smoothly you run your sales department, there will always be salesperson complaints. It is unrealistic to think that you can satisfy everyone all the time. People will complain about other employees, the work, the dealership, the pay plan, etc. It is the method you choose for handling employee grievances that will determine how quickly these problems can be resolved. Opening the lines of communication between you and your salespeople and honoring their concerns, regardless of how petty they seem to you, can prevent larger problems from occurring later on. And proper communication, particularly in grievance situations, requires that you become a good listener. Don’t interrupt your salespeople while they are speaking. Give them signs that you are indeed paying attention.

• **MAKE IT EASY FOR EMPLOYEES TO COME TO YOU**

As a Sales Manager you are very busy. Every interruption in your work day only delays the completion of important tasks. But salesperson problems can also delay productivity. Be available and be approachable. If your job keeps you busy all day, let your salespeople know what hours would be the most

Chapter 21

Preparing for the Performance Review

“In organizations, real power and energy is generated through relationships. The patterns of relationships and the capacities to form them are more important than tasks, functions, roles, and positions.”

— **Margaret Wheatly**

“Leadership should be born out of the understanding of the needs of those who would be affected by it.”

— **Marian Anderson**

Probably the most misused, abused and disused management tool in the dealership is the performance review. It's the strangest thing. Ask any Sales Manager whether they think a performance review is an important thing to do, they are almost unanimous. "Of course it is", is the common response. If you ask why it's important, they would likely have a reason.

The odd thing is that they often don't get done, and Sales Managers and salespeople hate the darned things. More importantly, Sales Managers look for a variety of reasons to delay and delay them. Why is that?

It's uncomfortable to do performance reviews. But why is it uncomfortable? Because people undertake them for the wrong reasons and wrong perspective, which ends up putting the Sales Manager and the salespeople on different "sides". Appraisals are used for determining pay increases, who gets let go, who gets promoted. Often they are used to focus on what people have done wrong.

So what is the point of performance reviews? Here's a starting point that actually works. The most important purpose or goal of the review is to improve performance in the future...and not just for the salespeople. Managers can get valuable information

Chapter 22

Firing — Making an Uneasy Situation Bearable

“A leader is best when people barely know he exists, not so good when people obey and acclaim him, worse when they despise him. But of a good leader who talks little when his work is done, his aim fulfilled, they will say: We did it ourselves.”

— Lao-Tzu

“As long as you keep a person down, some part of you has to be down there to hold him down, so it means you cannot soar as you otherwise might.”

— Marian Anderson

The most unpleasant and gut wrenching task you’ll ever face as a Sales Manager is that of firing a salesperson. I can honestly say, it’s an event that never gets easy and one that can eat away at your conscience if you don’t prepare yourself correctly from the start. During your tenure you may have to dismiss salesperson for reasons that are beyond your or the salespersons’ control, such as a poor or declining economy. Relaying the sad and often unpredictable news is not easy, especially when it creates hardships for those involved. Hopefully, these will be rare occurrences in your career.

However, with the exception of theft, violence, destruction of dealership property and other similar situations, all of which would warrant immediate termination, the majority of the cases will evolve over an extended period of time. The circumstances generally are prolonged poor performance, abuse of dealership rules and standards, insubordination and the inability or unwillingness of the salespeople to change after repeated consultations and warnings.

Regardless of the situation, the decision to fire a salesperson should come only after you’ve satisfied yourself that you’ve done everything possible to prevent the termination from occurring. And in

Chapter 23

Handling the Stress of the Job

“To laugh often and much; to win the respect of intelligent people and the affection of children; to earn the appreciation of honest critics and endure the betrayal of false friends; to appreciate beauty, to find the best in others; to leave the world a little better; whether by a healthy child, a garden patch or a redeemed social condition; to know even one life has breathed easier because you have lived. This is the meaning of success.”

— **Ralph Waldo Emerson**

“Success is the ability to go from one failure to another with no loss of enthusiasm.”

— **Sir Winston Churchill**

Management is an exciting, challenging, yet stressful job. Having to be responsible for the success of a department, as well as your salespeople, can keep any Sales Manager’s nerves on edge. Therefore, any situations that occur either at work or in your personal life that place extra demands on you can push you into the danger zone if you don’t learn to handle them properly.

Because of individual circumstances, and emotional and physical characteristics, no two people react to identical situations the same. Stress then is defined as:

The personal effect of some particular change(s) or event(s) in your life.

The events themselves do not cause the stress. It’s how you perceive them and deal with them that makes the difference. Also, how you manage stress depends on the state of your overall health and well being. When you are fit and well you tend to handle stressful events more easily than when you are ill and weak. The stressors can come from external sources such as family, job, friends, environment, or from your own internal pressures, such as being over-ambitious, materialistic, competitive, aggressive, etc.

Chapter 24

Organization — If My Head Wasn't Attached!

“Organization doesn't really accomplish anything. Plans don't accomplish anything either. Theories of management don't much matter. Endeavors succeed or fail because of the people involved. Only by attracting the best people will you accomplish great deeds.”

— **Colin Powell**

“The trouble with organizing a thing is that pretty soon folks get to paying more attention to the organization than to what they're organized for.”

— **Laura Ingalls Wilder**

- **OH NO! I FORGOT TO ORDER WORKSHEETS.**
- **I THOUGHT I SAW IT IN THIS STACK OF PAPERS.**
- **I CAN'T FIND THAT PHONE NUMBER.**
- **I'M NOT SURE WHERE I PUT THAT DEAL.**
- **MAYBE I TOSSED IT OUT BY MISTAKE.**
- **MEETING, WHAT MEETING?**
- **WHERE IS THAT VACATION SCHEDULE?**

Do these excuses sound familiar? If so, can you guesstimate the amount of time spent each week looking for things you can't find because you lost, forgot, didn't record, or misplaced them? Because many of these items are shared by others in the department, could your disorganization be affecting their work flow? If you're losing time looking for things, are others in your department also wasting time looking for these same things?

• **ORGANIZATION VERSUS THE COST**

With the high cost of doing business, dealerships wishing to stay lean and mean are making organization a bottom-line issue. A few moments spent looking for “this” and few minutes wasted hunting for “that” can ultimately add up to a lot of dollars in unproductive manpower. In fact, some employers are resorting to hiring companies that

Chapter 25

The Customer — Your Raving Fan

"The single most important thing to remember about any enterprise is that there are no results inside its walls. The result of a business is a satisfied customer."

— Peter Drucker

"You'll never have a product or price advantage again. They can be easily duplicated, but a strong customer service culture can't be copied."

— Jerry Fritz

If you're like me, you've had plenty of experience with bad customer service. Just think about the last time you had a bad experience with a product or a service.

Perhaps the product or service did not live up to the sales pitch. Maybe the company was unresponsive to your calls or emails. Maybe they did not do what they said they were going to do. Or they gave you the run-around when you called to report a problem or ask a question.

If you think about it, all of these negative experiences boil down to one thing, a lack of customer service. And a lack of customer service usually stems from a lack of customer focus. It seems many businesses have simply lost sight of who they are really in business to serve.

Instead of the old saying, "the customer is always right," many businesses seem almost bothered by customers these days. In fact, I recently heard this saying from a company I know, "this business would be great, if it wasn't for the clients."

How ridiculous is that? We wouldn't have a job if it weren't for the customers who purchase our vehicles. Yes, sometimes customers can be difficult, but they are the reason we are in business. Our job is to serve

Chapter 26

Moving Forward in Your Career

"The single most important thing to remember about any enterprise is that there are no results inside its walls. The result of a business is a satisfied customer."

— Peter Drucker

"You'll never have a product or price advantage again. They can be easily duplicated, but a strong customer service culture can't be copied."

— Jerry Fritz

At some point in time, you may want to be promoted to the next level, let's say General Sales Manager or even General Manager. You'll then need to have the insight, readiness and ability to predict what needs to be done and to begin a course of action to make things happen. This type of intuitiveness is what separates an average Sales Manager from an outstanding leader. With all of the responsibilities that you assume in a management position, it's those extra special qualities of visualizing to move forward, and sparking the support of your salespeople that can make those visions realities. Here's how you can use your initiative to get the job done.

• STAY PHYSICALLY AND MENTALLY FIT

We all work better when our minds are clear to focus on our jobs. Regular exercise, good eating habits and plenty of rest will keep our bodies strong and provide us with the energy and stamina needed to face each day. It's also important to keep the mind active. Going to seminars, reading books, and listening to motivational and business cassettes are some ways to help keep the mind informed and ready to handle the difficult situations that will arise.