THE SKILLS AND COMPETENCIES OF SALES LEADERS: A SURVEY

Professor Lynette Ryals, Cranfield School of Management, UK
Dr Shahpar Abdollahi, Cranfield School of Management, UK
Dr Javier Marcos, Cranfield School of Management, UK

INTRODUCTION

In recent years researchers have shown interest in studying sales management (Powers et al., 2010; Shepherd & Ridnour, 1995; Tanner & Castleberry, 1990; Castleberry & Tanner; 1986; Butler & Reese; 1991; Anderson, Mehta & Strong; 1997). Some of this research has focused on the relationship between the sales manager and the sales person (Lagace, 1991; Tanner & Castleberry; 1991). Another research stream has examined leadership style and its effect on sales performance (Butler & Rees, 1991), whilst others have looked at the type of training that sales managers need to equip them for their role (Powers, De Carlo, & Gupte, 2005; Shepherd & Ridnour, 1995; Shepherd & Heartfield, 1991; Anderson et al., 1997). Yet, with the exception of Butler & Reese's (1991) paper on sales leadership skills, extant literature lacks an overall definition and categorization of the skills and capabilities needed by sales leaders.

Previous research has established that the skills needed to manage a sales team are different from those necessary to be a good salesperson. Sales leaders often assume expanded roles and responsibilities without adequate support, resources or education (Powers et al., 2010). In a fast changing sales environment, sales leaders with effective managerial skills are vital to maintaining high standards of sales force performance, staff retention, improving sales, and customer retention (Jones et al. 2005). This requires them to motivate and empower employees (Medley and Larochelle 1995) and, to do so, they need to develop their own leadership and managerial skills (Yammarino 1997). At the same time the sales force is typically the main revenue-capturing part of the organization (Krafft, Albers, and Lal 2004) and the most important interface between an organization and its customers (Krafft 1999). Thus sales management and their key skills should be a top priority for most firms (Powers et al., 2010; Anderson, Mehta, & Strong, 1997).

However, research in sales has tended to concentrate on the skills needed by successful salespeople (e.g. Churchill et al. 1986; Sujan, Sujan, and Bettman 1988; Dubinsky 1996; Rentz et al., 2002) rather than their sales leaders. The majority of sales managers land sales leader roles based not on their managerial competence but on their excellent sales performance (Power et al., 2005). Given that the literature is unanimous in distinguishing the very different nature of the salesperson and the sales leader role (Adams 1965; Anderson et al., 1997; Coppett and Staples 1980; Shepherd and Ridnour 1995), there is a need to define the key skill set and competency needed for sales leadership roles (Powers et al., 2010). Anderson et al (1997) categorized these competencies into: 1-Customer orientation and understanding of the customer business, 2- sales people motivation skills, 3- Keeping up with emerging technological trends and their business impact, 4- Learning marketing skills to identify potential business opportunities, 5- integrating and working closely with other internal departments 6- Monitoring the progress of sales people. Shepherd & Ridnour (1995) identified a similar skill set required by sales managers (Dubinsky & Barry, 1982; Hopkins, 1978). Their categorization identifies three major managerial tasks: 1- sales management specific skills (coaching, pipeline management, quota setting, etc.), 2- non-sales management specific skills (motivation, team building, setting standards, integrating, etc.) and 3- self-development skills (managing change, time management, transition to management, etc.). Piercy, Cravens & Lane (2003) proposed a list of important skills for sales managers that includes technical knowledge, adoptability, team work, planning and sales support. The objective of this research is to expand further on the main skills and competencies for sales leadership roles, examining not just the skills deemed necessary for running a sales team but also the degree to which managers occupying these key roles feel competent that they possess them.

METHODOLOGY

The research method used a self-assessment telephone survey in which 220 sales leaders were asked to assess their own competence in various skills important to their role. The participants were drawn from blue chip companies based in the UK and selected by the top executives of the participating firms from their regional and sales team leaders. The survey instrument was based on seven broad skills and competencies initially identified by industry experts. These seven competencies were independently tested through a qualitative survey conducted with 8 senior sales leaders of international companies. References to client management and sales visits (unless in a coaching capacity) were removed from the responses, so as to concentrate solely on the sales leadership role. The results of the 8 out-of-sample responses provided face validity for the seven competencies. Confirmatory factor analysis was used to test the strength of the items for each of the seven variables. 32

out of 38 items loaded above the threshold of 0.55 and were used in the analysis; the others were discarded. The variables are shown in table 1, together with explanatory comments from the 8 out-of-sample sales leaders.

Table 1: Skills Required of a Sales leader

	Skill	Explanatory comments
1	Integration with Other Departments	• Attending global group meetings • Regular high-level briefings • New product development • Regular product meetings with purchasing
2	Coaching Skills	• Time spent with staff for education • Joint sales visits with team • Coaching: visiting key/major accounts with sales managers to train/develop
3	Pipeline Management and Sales Forecasts	• Margin analysis • Responses, reviewing quotations, pricing, discount structures and negotiation with buying groups • Review & development of 5 year plan • Ensuring forecast information is being given adequate attention
4	Self Evaluation and Project Monitoring	• Ensuring that any active issues are being addressed • General discipline issues
5	Time Management	• There were no quotations specifically about this but words used included "best practices", "regular reporting", "better process" etc.
6	Building a Sales Force	• Team & organizational planning • Pricing & margin work • Planning sales initiatives/focus
7	Understanding Corporate Strategy and Goals	• Management Meetings • Strategy meetings to set strategies • Competition analysis and competitor activity • Six monthly board meeting • Informal discussions re strategy / ideas etc., ad hoc • Trying to understand the mechanisms and changes in my industry and adapt the strategy accordingly

RESULTS AND DISCUSSION

The results of the self-assessment by sales leaders showed them to be most confident of their skills in the areas of understanding corporate strategy and time management, and least confident about integration with other departments. Sales leaders assessed their own competence as being generally above average, with an overall self-assessment score of 62. They scored their own skill levels as above average in six of the seven nominated areas (the exception was Integration with Other Departments). In four of the skill areas, just 1% of Sales leaders assessed their own competence level as weak (Table 2).

Table 2: Key Findings

Skill	Average Score	Percentage Below Avg	Above Avg	Percentage 0-25	75-100
Corporate Strategy	79	4%	96%	1%	75%
Time Management	73	8%	92%	1%	59%
Building a Sales Force	69	12%	88%	1%	49%
Self Evaluation	66	32%	68%	7%	32%
Coaching Skills	64	17%	83%	1%	32%
Pipeline Management	52	43%	57%	23%	31%
Integration	34	73%	27%	42%	10%

62	27%	73%	11%	41%

We considered these skills as falling into three broad classifications: personal skills, team-based skills, and organizational-level skills. Understanding Corporate Strategy and Time Management can be regarded as personal skills. They are rather difficult to measure objectively, and are perhaps more vulnerable to self-responder bias. After all, the natural tendency when asked if you manage your time well and if you understand the broader corporate strategy is to affirm strongly - especially in the absence of contradictory external measures. The second set of skills may be broadly classified as team-based. Building a Sales Force, Self Evaluation and Coaching are probably skills that were developed as the sales leader progressed through their years as a salesperson. These are also the areas which require most frequent and focused attention in order to hit sales revenue targets and to maintain team productivity. The final grouping of skills appears to be organizational. Pipeline Management and Integration with Other Departments both encompass skills that place the sales leader and their sales team in a broader organizational context.

The self-assessment scores correlate well with this classification. Sales leaders are most confident around personal skills which relate to managing their own time; are relatively comfortable with the skills related to managing their direct reports and direct sales production; but feel relatively less confident when it comes to placing their work in a broader organizational context. In fact, fully 73% of the sales leaders in our sample believed that they were below average in integrating with other departments and roughly one-quarter of respondents assessed their own skills in pipeline management as "very low" (with a score of between 0 and 25).

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The lost opportunity (if this self-assessment is correct) is substantial. It is these skills that most differentiate a sales leader from their salespeople, especially in the context of feeding relevant and timely customer information back into the business. Management research emphasizes the increasing importance of cross-functional coordination, especially in the context of business-to-business and complex selling. Perceived lack of skills in areas as vital as pipeline management and organizational integration could cause sales leaders to miss opportunities to align team objectives and contribute to firm-wide strategies. These findings suggest that sales leader training and development should focus on training in organisational areas such as pipeline management, corporate strategy, product development, sales planning and marketing. In addition, organizations should consider the inclusion of sales leaders in broader business discussions and business planning, if they are not already involved, and could also consider how to enhance senior level cross-functional interaction in ways that involve their sales leaders.

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