

# Questions Board Members Could Ask About Sales Force Effectiveness

Critical to most “business to business” success is not only revenue growth but also the underlying sales process driving revenues. For example, quarterly top line success may help push shareholder value over the short term but might not be in the best interests of long term shareholders.

There are three levels of Board questions that could be asked:

*Answers to the first level of questions* will demonstrate how well the company knows its customer base:

- Who are the key customers who generate the most volume and how are they similar to each other?
- Why and when do they buy? Why and when do they avoid buying? The answer should never be price alone.
- What is the core value proposition? How has it changed over time?
- Where are average dollars sales strongest by total and by account?
- What percent of total sales comes from top accounts and how are department resources used to leverage this aspect?
- Is the sales team and are the sales programs consistent with attacking this customer base?

The *second level of questions* relate directly to proper monitoring of sales and motivating the sales team and could be used to create a “dashboard” of sales indicators for the Board:

- Quarterly sales v. previous year.
- Quarterly sales v. competitors’ standards.
- Yield per sales person (with and without overhead) over time along with a high/low range.
- Weekly expenses v. sales rates.

# Questions Board Members Might Want to Ask About Sales Force Effectiveness

The *third level of questioning* relates directly to cultural and organizational issues:

- How does the compensation program compare to industry standards and why?
- How does training and development compare to industry norms and why? Is the sales team given the training and support needed to reach their performance goals?
- Is the sales team turnover rate improving or declining? How does it compare to historical and industry norms?
- Are recognition programs – not only financial rewards – sufficient to motivate and maintain a first rate sales force?
- Is there a fully mapped out, step by step, and fully trained approach which distinguishes between different types of clients?
- What is the perception of the sales organization by the other functions in the company? What is the sales function's role in strategic planning?

The point of the three different levels is to create a better understanding of your company's sales process and programs and their likely effectiveness.

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