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How to Squeeze the 'Optimism' out of a Salesperson's Forecast

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For the technologist or anyone else without a lot of management experience, sales can be a frustrating process. And while I don't pretend to be an expert salesman or even sales manager, I have sold and I have managed salespeople. For the manager or owner of a business, this is what sales come down to: hiring the right salesperson. Of course that also requires facing the fact that you will make mistakes and have to let those people go. So the secret of sales- at least for the owner-is hiring and firing salespeople who are not productive.

This may sound simplistic, but the nature of sales and salespeople makes this an error-prone aspect of management. The reason? A quality of salespeople is that they tend to be optimistic. You want salespeople to be optimistic. But optimistic people by nature are focused on the future. And in truth, that's where your next sales are.

Leading up to those sales is a lot of relationship building, especially for the high-ticket products technology companies sell. So when you hire any salesperson, there is this up-front investment, hopefully leading to this downstream closing. But how do you know if there's anything downstream but a waterfall?

This would happen to me all the time. I would bring a salesperson in and ask them when they expected to close and it was always manana. After a while, I figured out that this was not always a realistic analysis of their prospects. And the longer it went on, the more I had invested in them and the harder it was to face the fact that maybe I had hired the wrong person.

My solution to this situation was to head it off at the outset-to deal with it at the time I hired the salesperson. Now, in the initial interview, this person is going to tell me they are one hell of a

salesperson, that they can sell ice to Eskimos, but how do I judge if this is true? How do I find out just how good they really are? How confident? Resumes help, but only to a limited extent.

I would start by holding up my product-say it was a pen. And I would say to them, "OK, how many of these can you sell in a year?"

Now first, this salesperson will probably try to blow me some smoke and say something like, "Well, Jack, I can sell a million dollars' worth of these pens. Give me a job and you got it-a million in sales. No big deal. I mean, these are great pens you got there; it's an easy sale, no problem."

So I would then say, "OK. What if we do a little tryout, a six-month tryout? How many of these could you sell in six months?"

Now the person will scratch his chin a little and look up at the ceiling and in a little more thoughtful way say,

“Well, it’ll take me a little while to learn the maintenance of this pen, but to get to a million a year? Maybe I could do around 300,000 in six months.”

And I would say to them, “Good. But just how confident are you that you can sell those 300,000 the first six months?”

“Very confident,” he would almost always say.

And then I explained to him that I was a very sensitive person and how much I hated to fire people. So I would suggest this: “That 300,000 number sounds pretty good, and that’s your number, not mine, so why don’t we agree that if you don’t sell 300,000 of these, at the end of the six-month period, you just walk away. Somehow you’ll just disappear into air. That way I won’t have to fire you and then I won’t have to feel lousy, how’s that?”

And he would think about that and pretty quickly say something like, “Well Jack, yes, I think I can sell 300,000 pens in the first six months, sure, but if you want to do it on that basis where I would just walk away, well, I think I’d have to go with a number like 200,000.”

And I would say, “Fine. But remember, that’s your number.”

Now some people would look at me like, Roseman, you’re a crazy man, because they never had been offered a job in that way. But on the other hand, a lot of people took me for real, and resigned when they didn’t hit their number.

But what was I really trying to accomplish? I was trying to get that optimism out of there and get a realistic measure of what that person truly considered success and be consistent with what I thought was a reasonable number. And if he committed to it at risk of voluntary self-termination, then I had to believe that he thought it was a realistic goal or at least he would work like hell to achieve it.

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