

10-Step Sales System for Growth: Step 8: Your Sales Reporting System

One of the value drivers that business owners find most difficult to improve is revenue growth. Unless your products and services are obsolete or not competitive, revenue growth is achievable. But it requires a well thought out plan, discipline, and hard work. This series of articles provides a step-by-step approach to grow your revenue and perhaps even surpass your sales goals.

Step 8: Your Sales Reporting System

Reality check-- Looking at sales reports does not create change. I've met many sales managers who "really know their numbers" but are below average performers.

Yes, you need to know the numbers, but what you really need is insight. And transparency. And decisions. And execution. You and your team need to understand the 'hows' and 'whys' so you know what to change.

Our experience has shown that successful sales reporting systems have these characteristics in common:

Accuracy

Beyond the obvious benefits, accuracy helps ensure you have a disciplined culture. I once worked at a company where the salespeople consistently said "the numbers are all wrong!" The numbers weren't wrong but that was the perception which invited infighting. So we implemented a system where the daily numbers were approved by all unless contested within 24 hours. Problem solved. You and your team have enough objections to deal with so your reports shouldn't create new ones.

Transparency

Some companies struggle to share bad news. Your

reports should put everything on the table so no one can hide and real problems can be addressed.

Multiple Timeframes

Sales reports should show sales results for the day, week, month and year-to-date. And, if feasible, compared to previous years.

Timeliness

Sales reports should be easily accessible for the previous day or time period in question. I've worked for a few companies that updated sales numbers during the day--that's certainly ideal but not feasible for everyone.

Actual-to-Plan for Key Activities, Metrics, and Sales

You need comparative data for perspective and insight, so "actual to plan" data is critical.

Refer back to the economic model you created in Step 2 for the key activities and metrics that drive sales. If your business is B2B, for example, you may need to know the number of initial sales appointments or proposals. If proper headcount is important, your actual-to-plan will include the current number of salespeople, those on the bubble, in the pipeline, etc.

Both Macro and Micro Views

You need a macro view of your sales, key activities, and metrics - everything rolled up. Additionally, you need access to the data by salesperson, department, product line, division, location, or whatever makes the most sense for your business. This allows you and your team to learn "how" the numbers came to be and to dive deeper as needed.

Impactful Data Presentation



Your reports should be easy to understand and utilize effective visuals that display well on all devices. If feasible, add charts and graphs as most people are visual learners. There are numerous online tools available. Microsoft Excel has charts and graphs that can be set up for automatic updates as new data is entered. Your current CRM system may also have built-in reporting options.

Provide Insight

Sales reports should be sent to everyone in sales as well as anyone who cares about sales. That may be everyone. Employees who control or manage sales need to respond to their superiors with insight and thoughtfulness, especially if there are anomalies.

If on plan, there may not be much to say. e.g. "We continue to execute and expect to finish on plan."

If above plan, e.g. "We are up 25% mainly due to XYZ company placing a large order this month as opposed to next month and as originally forecasted. Thus next month will be down..."

If below plan, e.g. "The primary reason for slower sales is due to a 22% shortfall in leads. The marketing manager has been on vacation for the last 2 weeks...so in the meantime we are..."

No Surprises

One of your mantras needs to be NO SURPRISES. Good or bad. If sales are going up or down, for whatever reason, you need to know at the earliest possible moment. Sit everyone down, explain how this works, and assure them no one is going to get into trouble for sharing bad news. Lack of sharing is another story and demonstrates incompetence or lack of initiative and will not be tolerated.

Pipeline or Forecast Updates

I've worked for a number of companies where salespeople met weekly with management to review every deal in the pipeline. Management's job was then to update the forecast. Your situation may require a different method, but regardless, you need to continually update your forecast.

For more information or to learn how L. Harris Partners can help you grow your business:



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