

Sales Audit

The Sales Audit is an objective review of the structure, systems, style, staff, skills, strategy, and shared values of your sales effort, with special emphasis on people and motivation (including compensation). The focus of a Sales Audit is to advise sales management on how to hire, how to evaluate, how to coach people, how to develop effective sales strategies, how to design and implement appropriate departmental structures and systems, how to teach selling skills, and how to develop effective sales management styles. During a Sales Audit I ask sales management the following questions:

- A. What is the nature of the external environment? What is the size of your market and what are the growth trends, what is the demand for your product, and what are the general buying patterns (business cycles, e.g.)?
- B. What is the nature of the internal environment? What are your organization's culture and management and leadership styles?
- C. What is the competitive situation? What are the strengths and weaknesses of major competitors? What are your competitors' positioning strategies and your customers' perception of them? How effective are your competitors' selling efforts and how firm are their rates or prices?
- D. What are your competitive advantages? Do all of your salespeople have a clear idea of your value proposition, your positioning, your advantages, and, especially, the benefits of your product or service?
- E. What weaknesses in your competitors are you going to exploit by emphasizing which of your strengths?
- F. What are your organization's goals as stated by top management? How do you translate and communicate these goals to your salespeople? How do you get your sales organization committed to your company's goals?
- G. What are your long-term sales strategies and short-terms sales tactics for achieving your company's goals?
- H. What sales department structure do you have for carrying out your strategy? Do you have marketing or research departments? How is your sales-support staff organized?
- I. How do you define your salespeople's selling functions and job criteria? Do you communicate these criteria clearly?
- J. How effective are your planning, organizing, control, and evaluation systems?
 - i) Do you set activity or billing objectives for your salespeople?
 - ii) Do you organize your objectives by category, region, new business, etc.?
 - iii) How do you monitor and give feedback on sales performance; how often?
 - iv) How do you structure and manage sales meetings, and how often do you have them?
 - v) How do you assign responsibilities for monitoring the marketplace?
 - vi) What kind of reports do salespeople fill out?
 - vii) How often and in what manner do you formally evaluate your salespeople?
- K. What kind of recognition procedures and contests do you have to motivate your staff? How do you encourage salespeople to use their own initiative and to be innovative? Do you make them feel like winners?

- L. What kind of research and sales promotion material (including PowerPoint presentations) and support do you have? Is the sales promotion material addressing your selling strategy? Is it consistent with your image? Does it clearly articulate your position and competitive advantages?
- M. Who makes the decisions on sales policy, strategy, and procedures?
 - i) Compensation and employment contracts?
 - ii) Sales reporting and pipeline tracking systems?
 - iii) Account/territory assignments and account list allocations?
 - iv) Expense accounts
 - v) Rates/prices and inventory control
- N. How is the sales department's communication and relationship with other departments?
- O. How do you hire salespeople? How do you train them?
- P. What are your priorities? Does your management have the same priorities?

In addition to asking sales management the above questions, I often have lunch alone with the sales staff to solicit comments, complaints, and problems. In some cases, I meet alone or in small groups with salespeople to get their input (the method of getting input depends on the situation and the advice of sales management. I can also meet with individual salespeople and give feedback to managers about my impressions of them.

I then feed back this information anonymously and diplomatically to sales management.

After I gather the above information, within a few days of the audit I send written recommendations about how to improve overall sales performance and how to implement the recommended changes.