

# How CEOs Should Lead Sales During a Crisis

April 2020



Fifty days ago companies were accelerating their sales organizations in expectation of a record revenue year. Many had ripped out the brake and put in another gas pedal, adding salespeople and increasing quotas. Today, many are in crisis management mode and wondering how they will hit their number. As a CEO, you are going to need your sales force to quickly get the company back on track once the crisis abates. Communication to the entire sales organization is more important than ever – and it needs to come from the top.

Just fifty days ago, CEOs were directing plans that were forecasting high revenue growth in a booming economy. Many had added new salespeople to meet expected demand, and their biggest challenge was how to maximize opportunities and profits. 2020 appeared to be a year of smooth navigation, free of difficult decisions to make about staffing, budgets, and market strategy.

Suddenly, CEOs are in crisis mode battling an unforeseen enemy. Very few had contingency plans to address what we are facing today. With no clear end in sight, this is when CEOs earn their money and demonstrate their full leadership potential. Employees are uncertain and afraid and will look to their leaders for strength, direction, and confidence. When stay-at-home orders end and businesses reopen, it will not be business as usual, and a new normal will exist.

With the many unexpected challenges CEOs now have to address, there is one thing for certain. They will need to rely on their sales organization more than ever to recover. Although all employees are dealing with anxiety about the future, salespeople will be even more so. For many, a majority of their incomes come from commissions and bonuses. Quotas increased in 2020 based on anticipated demand, and those new targets now seem impossible to reach. Now is the time CEOs need to work with their sales leader to message directly to their entire sales organization. Even if you have total confidence in your head of sales to communicate effectively, every salesperson needs to hear directly from their CEO.

Over the last four weeks, we participated in several calls with CEOs who are trying to determine how to reset the course for the year. In addition to discussing new go-to-market strategies, most of the conversation focused on sales force preparedness. The following are several outcomes from those discussions and action plans to implement immediately.

- Communication and transparency is vital. Your sales managers are going to be a critical link through this period. Each CEO should get on a call with their head of sales and all the sales managers. Reassure them and their teams that you are not planning any cuts or furloughs due to COVID. Let them know that you will be counting on them to lead the company out of this unexpected setback. Although there are still many unknowns regarding the future, give them confidence that the entire executive team will support their efforts.
- Many of the leaders we spoke with were looking for guidance on how to handle quotas. Several had set aggressive quota targets for the year. In our opinion, it is too early to make any decisions on reductions in quotas.
- Positive communication to your salespeople is essential right now, especially a remote-based force. People are sitting at home wondering how they are going to hit quota, make their number, and pay their mortgage/rent and car payments. They have many questions that need to be acknowledged. Are we going to get quota relief? Will new targets be established? For those on highly leveraged comp plans, will draws be available? Let them know that you are aware of these issues, but its too soon to make any decisions. We have just gotten through the first quarter and will be evaluating all options in Q2. We highly recommend having a conference call with all of your sellers. You can solicit questions in advance and address on the call if you like. Salespeople need to hear directly from their company's leader, so use this as a time to rally the troops for what's ahead.
- Protect and nurture your A-Players! These are the people who are going to pull you through. As a CEO, you should call every single one of them and reassure them that we will get through this. A personal call from their CEO is enormously meaningful to A-Players. Let them know that you are not calling every salesperson. Let them know you will be relying on them to help the company come out of this crisis and thrive. As CEO, you should consider implementing additional incentives for the second half of the year to super motivate all of your sellers, but especially the A-Players. Competitors are going to be actively recruiting A-Players, so do not take them for granted during this crisis. *Note: During our calls, three companies had to cancel their 2019 sales incentive trips planned for March. They had not made plans to reschedule and are hesitant to do so in Q4 when it will be all-hands-on-deck. The loss of these trips is meaningful to your sellers who worked hard to earn attendance. You will need to address how to reward those folks in other ways - do not put it off for months.*

- Get with your head of sales and create a worst-case contingency plan where you would cut 20% of your salespeople sometime this year. Realistically, the bottom 10% of your salespeople aren't going to make it regardless. Many companies hired new salespeople for 2020 and already able to determine those that were the wrong hire. If you had sellers who were below 50% of plan in 2019 and didn't show improvement in Q1/20, have your sales managers evaluate their long-term viability. If needed, move on these individuals in Q2 and use the reductions in salaries and overhead to incent top performers for the rest of the year to overachieve. You will also need your sales managers spending the majority of their time supporting reps who are capable of performing, and not wasting their time managing and coaching those who will never be meaningful contributors.
- Ramp up the skills of your salespeople. If you are using eLearning platforms, make sure your salespeople have completed all modules. Have your sales managers conduct weekly video role-plays. Create three sales scenarios: Introductory meeting, explore options/qualifying meeting (pre-proposal), and proposal delivery meeting. Have them prepare for all three, then let them know the day of which one they will be presenting. Do it via video and have their sales manager and two other salespeople as participants. Nothing will put more pressure on your salespeople and increase their sales skills faster like a video role-play in front of their peers. Have your head of sales jump on as well if they are available. You will quickly figure out who is in your bottom 20%.
- Solidify your customer base. While many new business reps are struggling to bring new prospects into their sales funnel, create a program to communicate to your existing customer base. Find ways to message value to your customers in a non-sales way. This value can be in areas outside of your company's core offerings but will be valuable to your customers. Demonstrate that your sellers can be Trusted Advisors to your customers. They will be one of the fastest and most profitable sources of revenue once things begin to normalize.

### What's Next?

With the many things suddenly thrust on the CEO's plate, they cannot neglect the importance of keeping their sales force focused and motivated. Do not leave it to your head of sales to be the one carrying the water during this time of uncertainty. Understanding and encouragement are needed right now until the outlook for the next nine months becomes clearer.

## About The Collier Group

The Collier Group is a niche consulting, advisory, and managed services firm that works with B2B companies who have outside sales teams of 25-300 salespeople.

We help our clients restructure the makeup of their sales force, without additional headcount, to increase the number of top performers by 75% and grow net new revenue by an average of 28% over 3-years.

As a client-focused firm, we structure our fees to work within our client's current budget during the initial phase of the engagement, so there are no additional unplanned costs. We then work on a success fee basis, where we only get paid when our clients achieve their program goals. We do not have billable hours, nor do we allow for 'project creep' that increases expenses for our clients.