

WHITEPAPER

EFFECTIVE GOAL SETTING

How sales managers and coaches can
get the MOST value from their sales
team by setting SMARTER goals

Ah, but a man's reach should exceed his grasp, or what's a heaven for?

Andrea del Sarto

Robert Browning

Introduction To Goal Setting

Imagine that you have navigated through rush-hour traffic to arrive late at the airport for your flight to an important meeting with your number-one customer. The parking garage at the airport is full, so you must find an alternative place to park that is five minutes away. The TSA security line is congested, causing an additional 30-minute delay. Finally, you make it to the gate as they are closing the doors to the plane. You reach your seat, take a deep breath, and try to relax.

The pilot announces, "Thank you, ladies and gentlemen, for choosing our airline. We have locked the doors and will begin pushing back momentarily. We do not have a flight plan yet for our final destination, but that shouldn't be too much of a problem. Once we get up to altitude, map out our route, and calculate our fuel requirements, we will get back to you with our arrival time. Again, thanks for choosing our airline." How long would it take you to bolt from that airplane?

This example borders on the ridiculous, but every year, over 6 million salespeople in the United States operate without goals, and 14 million salespeople receive no feedback on their performance. It is the functional equivalent of no flight plan or flight instruments to provide feedback to the pilot.

Why Goal Setting Is Important

Goal getting begins with goal setting.

A goal without a plan is a wish, a hope, or a dream. A goal ...

- Becomes real with planning.
- Provides focus and a sense of purpose to one's efforts.
- Is a directional pursuit and an organizing force.
- Is a written commitment that you make to yourself.

For teams, goals ensure a congruence of priorities and activities. They provide group discipline. They align team members around a common and meaningful purpose.

Goals motivate individuals to achieve something of value. Goals state management's expectations and provide for task clarity. Goals bridge

dreams and reality. Properly formed and vividly framed, goals paint a picture of the future in real time.

To get the most value from your sales team, you must ensure that your tactical, field-level sales objectives support your organizational mission. Your goals must align. Your strategies and tactics must complement each other. Your plan must be coherent. The acronym MOST describes this strategic and tactical alignment.

Getting The MOST From Salespeople

Of all the things I've done, the most vital is coordinating those who work with me and aiming their efforts at a certain goal.

(Walt Disney)

Every great achievement begins with a dream, an idea, or a vision. The meaningfulness of that vision becomes the motivating force for the individual. It is the mission or the quest. To accomplish that mission and realize the dream, the individual sets benchmarks (goals or objectives) to gauge one's progress. Then, the person embarks on the journey with strategies and tactics to live the dream.

MOST bridges dreams and reality:

- **Mission.** This is *why* people pursue goals. It speaks directly to the motivation of the person, or in the case of organizations, the direction of that organization.
- **Objectives.** These goals are benchmarks that gauge whether or not the individual (or the organization) is accomplishing the mission. These signposts along the way measure progress.
- **Strategies.** These are *what* the individual (or the organization) must do to accomplish the mission.
- **Tactics.** These are *how* the person (or the organization) must execute *what* is laid out in strategy.

For sales managers and coaches, this model prescribes that tactical, field-level sales objectives must (1) support the organization's mission; (2) be consonant with your organization's objectives; (3) employ strategies that support the mission; and (4) represent clear, relevant tactics that operationalize strategies, achieve goals, and accomplish the mission. As salespeople achieve their goals, the managers achieve their departmental goals, the organization achieves its broader and strategic goals, and all accomplish the mission.

As the sales coach, you must ask yourself these questions prior to goal setting with your team:

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- Do we have a vision for the future of this organization?
- Are we clear on the mission of our organization, and does it support our vision?
- Have we communicated this clearly to our sales force?
- What organizational objectives support our accomplishing this mission and realizing the vision?
- What strategies must we employ to achieve these goals?
- What tactical achievements do we need from our sales force?

The answers to these questions reveal the soundness of your go-to market strategy. There must be a direct connection between the tactical efforts of the sales force to the organization's mission. Otherwise, you are doomed by a sales and marketing chasm that inhibits growth. This chasm is the cause and result of salespeople not executing tactically what marketing designs strategically.

Focus is going an inch wide and a mile deep.

How To Set SMARTER Goals

Specific

Though "S" stands for specific, it invokes the KISS principle: keep it simple and significant. Make your goals clear and unambiguous. Simplicity liberates while complexity enslaves. Simplicity sharpens your focus. It allows you to concentrate your energy with laser-like focus on things that matter. Significant means the goal is important, a high priority, something that matters.

- Specific communicates expectations straightforwardly. This allows you to inspect what you expect, which is a core responsibility of sales coaches.
- Specific answers what and how questions. This is what you want to achieve and how you will do it.
- Specific quantifies and qualifies your aspirations. This is who, where, how many, and how much.
- Specific means a precise target. This is something you aim for and work toward.

Measurable

Though "M" stands for measurable, it signifies motivation and milestone. It is motivational in that you can bear witness to changes and achievements in your efforts. You feel good about your progress. It is a milestone

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in that it benchmarks your progress along your journey, much like checkpoints on a cross-country flight.

- Measureable makes something manageable. You cannot manage or improve what you cannot measure. This is the message from the field of continuous improvement.
- Measurable is the reality of unbiased feedback. It assesses progress, not just effort. It is the stark reality of two feet planted firmly on the scale. This is tangible evidence of the efficacy of your actions.
- Measureable introduces objectivity into the world of subjective and selective perception. There is an old saying that you

cannot pull a fast one on yourself. This is especially true when you have specific and measurable goals.

- Measurable allows for monitoring. It inspires course correction or staying the course. It is a continuation of the focusing that comes with specific.

Achievable

Though the “A” stands for achievable, it could mean aspirational or aggressive. A goal is an aspiration, what someone wants to accomplish, not just what they must do. The former demands commitment while the latter requires mere compliance. An aggressive goal inspires people to reach beyond their immediate grasp.

Mary Kay Ash, founder of Mary Kay, Inc. said about goals, “A good goal is like a strenuous exercise—it makes you stretch.” Mary Kay, Inc. is the sixth largest direct sales organization in the world with a sales team of three million salespeople.

- Achievable means realistic, challenging, but not overwhelming. It encourages people to stretch, not snap. It must be tough enough to challenge, but not so tough that it demotivates. Ambitious goals, those within one’s realm of possibility, tap into potential.
- Achievable is an honest-to-goodness confidence builder, as people ask the fundamental motivation question, “If I try, can I succeed.” Goal-attainment begins with confidence.
- Achievable implies few perceived barriers and adequate resources to accomplish the goal. It ensures the person’s ability to perform at this high level.
- Achievable implies agreement between goal-setting and goal-getting, between manager and subordinate. This agreement is a necessary antecedent to achievement. It is difficult for people to achieve

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standards of performance without this commitment. Compliance without commitment is nothing more than a go-along attitude. People work just hard enough to avoid punishment.

Relevant

Though the “R” stands for relevant, it conjures relatedness or resonance. You want tactical, field-level objectives to support strategic objectives of the group, department, or organization. Your specific and targeted goals must support your mission or purpose. If these

goals relate to a team, you want individual outcomes to resonate with the team. There must be this connectedness among group members.

- Relevance means the goal is worthwhile within the context of the big picture. There must be a direct link from individual performance to organizational performance. As salespeople achieve their tactical sales goals, managers achieve their departmental and team goals, organizations achieve strategic goals, and accomplish the mission.
- Relevance implies consistency and balance. It ensures tactical alignment with strategic focus, bridging the chasm between sales and marketing.
- Task meaningfulness is a top motivator for people. Why would anyone want to execute tactically what seems meaningless? Relevance makes work meaningful because one’s efforts matter.
- Relevance is fundamental to value creation. Why invest in something that fails to add value or create results?
- Relevance goes hand-in-glove with effectiveness. Engage in relevant activities that manifest in meaningful results.

Peter Drucker wrote, “There is nothing quite so useless, as doing with great efficiency, something that should not be done at all.”

Time-based

Timely, time-sensitive, and on-time describe the temporal importance goals. Open-ended goals are the stuff of procrastination. Procrastination is avoidance behavior. People avoid doing things they do not like, do not want to do, or do not feel they can do. The lack of deadlines is at the heart of Parkinson’s law. Work and effort are elastic as they relate to time. This means work expands to the time allotted for its completion. Give someone two weeks to complete a project and it takes them two weeks.

- As specific answers “who” and “what” questions, time answers “when” question for goals.

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- Without a timeframe, there is no accountability.
- Without a timeframe, there is no practical sense of urgency.
- Without a timeframe, there is no benchmark for completion.
- A timeframe for a goal is like mile markers on a highway. They tell you how quickly you are accomplishing your goals.

A timeline for achievement creates a positive and productive tension between what is and what could be—today's reality and tomorrow's goal.

Engaging

Though the "E" stands for engaging, it suggests energy and effort. Great achievements are born in dreams and bathed in effort. Success begins with small steps. Engaging goals are performance goals. They describe a course of action, positive habits, and priority behaviors. They describe the activities in which a person must engage and the effort that person must expend. These goals get people moving, behaving, and performing. They describe activities and behavior that define successful labor. By definition, performance goals are real-time actions. They happen in the here and now.

These short-term goals are action-oriented. They are qualitative in that they focus on the performance of behaviors that will bring about long-term success. These qualitative performance goals are effort-oriented. The quickest way to change or shape behavior is to initially reinforce the effort, not the results. Qualitative performance goals are motivating because they spotlight things over which people have control—their behavior.

- Qualitative performance goals for salespeople include: major account planning, number of calls made, completion of call planning guides, account penetration at all levels in an account, the number of joint calls with a sales manager, facility tours scheduled with customers, hosting customer events, attending training sessions, professional study, etc.
- Qualitative, performance, activity-oriented goals that are well-constructed lead somewhere. They lead to results.

Results

Though the "R" stands for results, it could mean reinforcement and rewards. Results are the outcome of one's efforts. Results reinforce efforts. Results confirm that one's behaviors are relevant. Results represent the lasting gain from performance. As engagement inspires performance, results describe production. It is the difference between activity and

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achievement. Engaging, performance goals activate the individual. Productivity goals describe the results of individual effort. Achievement is the outcome of meaningful activities. These results are more quantitative than qualitative. By definition, productivity goals are more long-term.

- Quantitative performance goals for salespeople include gross sales, profitability, product mix, increases in customer satisfaction and retention, and cross-selling successes. These are common financial metrics that managers prefer. They are tangible and should reflect the direction of the organization.
- The rewards for achieving these productivity-oriented goals must reflect the importance of these goals. They must be equitable for the salesperson as well. Equity is at the heart of motivation. People want to feel they got as good as they gave. The key word is “feel.” Equity is always perceptual. It is how the salesperson perceives outcomes to inputs. Fundamentally, the salesperson says, “I put out the effort and achieved the results that you expect from me; where is my reward?” If there is a gap between effort/achievement and reward, managers face significant motivational challenges.

Managers become effective coaches when they harness the collective talent of their team and direct them toward achieving a common goal. Kobe Bryant said this about legendary basketball coach Phil Jackson, “He’s absolutely brilliant in bringing a group together to accomplish one common goal.”

For salespeople

- Dream big enough to make your bones itch. Why dream small? Dream small; live small. Dream big; live big. Bigger dreams bring bigger results. Write them down. Use symbols to remind yourself of these goals, and surround yourself with these reminders.
- Make sure your journey is balanced by attending to the important areas of your life: spiritual, family, business, health, financial, social, and self-development.
- When planning your goals, list the resources you need to achieve these goals, and identify any barriers that you perceive to your accomplishing your goals.
- Ask this question daily, “Do my daily activities move me closer to or farther from my goals?”
- Reward yourself along the way. When you reach a benchmark on the path, enjoy your progress. Celebrate.
- Share your goals only with those people who benefit directly by your achieving these goals—family members, bosses, and close friends. This is your support team. Others may attempt to discourage you.

Tips For Setting Goals

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- Review your list of goals weekly and monitor your progress. Use it as your true-north road map. Course correct as needed. When you do this, you rarely waiver or wander too far from your course.

For managers

- Make sure that your tactical field-level sales goals reflect your organization's goals and direction.
- Involve your salespeople in goal setting. They will surprise you with their optimism and hope.
- Once the goals are established, ask the salesperson if there are any perceived barriers to their accomplishing these goals. Barrier analysis prevents barrier paralysis.
- Monitor their progress, and offer frequent positive and corrective feedback.
- Use a variety of reinforcement. Money is only one way to reinforce behavior. Time and attention are positive reinforcers also.
- Initially, reinforce the effort more than the results. This is the quickest way to change behaviors. Gradually shift your attention and feedback to results.
- Celebrate successes, often and visibly.
- Remember: As salespeople achieve their goals, you achieve your departmental goals, and your organization achieves its goals and

Performance Goals for Value-Added Selling

1. Construct a Value-In-Purchasing list of the qualitative and quantitative value that you deliver with your products, company, and self.
2. Be able to state clearly your Unique Selling Proposition.
3. Construct and rehearse your elevator speech.
4. Prepare a one-sheet using the format given in the sales course.
5. Select three High-Value Target accounts (HVTs).
6. Build an account strategy for each of these HVTs using the questions in the VAS text book on pages 67-68.
7. Penetrate thoroughly all L-1-2-3 decision makers in these HVTs.
8. Make joint visits with your management on these HVTs

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9. Build and support the image of your 3-D solution in your accounts through positioning.
10. Be prepared to answer this question: What are your definable and defensible differences?
11. When making sales calls, personalize your message, maximize your perceived value, demonstrate your performance value, and offer proof.
12. Make the transition to your solution as smooth as possible.
13. Build your professional and personal relationship with the customer.
14. Constantly look for ways to reinvent yourself to relevance in your accounts.
15. Initiate a value reinforcement campaign in your HVT accounts.
16. Leverage every sales opportunity.
17. Complete a call planning guide for all sales calls.
18. Follow the four-step Value-Added Sales Call format: open, probe, present, and close.
19. When confronted by resistance, go first to the "Ask mode."
20. Conduct post-call reviews after each sales call.
21. Prepare case study success stories to share with others on your sales team.
22. Be prepared to demonstrate how your company helps customers drive more money to their bottom lines.

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Performance Goals	Productivity Goals
<p>These goals are effort-oriented, focusing on activities and behavior—things you control. Examples include number of sales calls, planning every sales call with a Call Planning Guide, developing account plans for key customers, designing case study success stories, attending training, product demos, joint calls with managers on High-Level Decision Makers, facility tours, hosting customer events, etc.</p>	<p>These goals are results-oriented, focusing on achievements and successes—the outcome of your efforts. Examples include gross sales, gross profit, product mix sold, customer satisfaction and customer retention data, cross-selling ratio, etc.</p>
Specifically, what do you want to accomplish?	Specifically, what do you want to accomplish?
How will you measure your accomplishments?	How will you measure your accomplishments?
Are these goals achievable? What barriers interfere with your accomplishing these goals? Do these goals make you stretch?	Are these goals achievable? What barriers interfere with your accomplishing these goals? Do these goals make you stretch?
How relevant are these goals? Why do you say that?	How relevant are these goals? Why do you say that?
What is the timeframe for accomplishing these goals?	What is the timeframe for accomplishing these goals?

About the Author



Tom Reilly is co-author of *Value-Added Selling*, 4th edition (McGraw-Hill 2018). Additionally, he has written twelve other books including the hot-selling *Crush Price Objections*. His award-winning column appears in *Industrial Distribution Magazine*. Tom has a Master's degree in psychology and is a faculty member at the University of Industrial Distribution. He began his career as a salesman for a Fortune 500 chemical company and then opened his own distribution company in Houston, Texas. He sold that in 1981 to pursue a full-time speaking and sales training career. You may contact him through his website www.TomReillyTraining.com.