

3 Important Lessons on Goal Setting in Sales



There are a lot of different ideas out there about how to get the most out of each sales rep on your team. But regardless of the specific tactics sales teams adhere to, every sales process has one thing in common:

Goals: Most every sales team has a quota that they need to hit every month or quarter.

However, while managers and reps are painfully aware that they need to reach a certain number, many don't go about achieving it in an ideal way.

Here's an example of what I mean. If you want to run a marathon, you don't try to run 26 miles on the first day. Maybe you run one mile. Then two on the second day. Maybe three during your second week of training. Each month, you train harder and run longer, until you're ready to crush 26.2 miles on race day.

To be successful every day, sales reps and managers must use small goals to reach larger goals. This method has been proven effective time and time again, and can help you more effectively reach quota.

Let's break down why setting goals is so important to sales.

The Importance of Goals

This study from Harvard University illuminates two main reasons why setting goals is important: Motivation and achievement.

In the study, the authors explain that the simple act of setting a goal increases the motivation of the person attempting the task. Instead of just telling yourself to "do your best," the study suggests that setting very specific goals boosts motivation more than any generic pep talk ever could.

The second part of the equation is achievement. The research team put a group of college students through a goal-setting study, and found that those who stuck to a specific plan and monitored their goals ultimately performed about 30% better than those who didn't.

Thirty percent. It bears repeating.

Imagine if your weakest sales reps were doing 30% better month over month in regard to their quota. You'd have a team full of rock stars in no time. With this in mind, managers should strive to set small goals in addition to large ones.

The Kinds of Goals to Set

Every sales rep is different. And as a manager it's your job to know who needs help in certain areas. While some members of your team might be high-activity reps, others might be better closers, or

great at giving product demonstrations. So although each rep has the same overarching goal (quota), managers should dole out different goals unique to each individual to help them achieve their number.

For instance, if a rep is struggling with activity and it's obvious to the manager that they're calling fewer prospects than their colleagues, their goal needs to be activity-oriented. If they currently call 15 people a day, set a goal of 20 starting next week. If they only send 100 emails per week, set a goal of 110 for the following week.

Now, for someone who struggles with closing a deal, the goal should be very different. In this circumstance, getting the rep to listen to their calls every single day with a team member and reflecting on what went well and what didn't might be a better strategy. If they can listen to one call a day, then two calls a day, then three, the sales rep can hone in on what they do well, and where they need to improve.

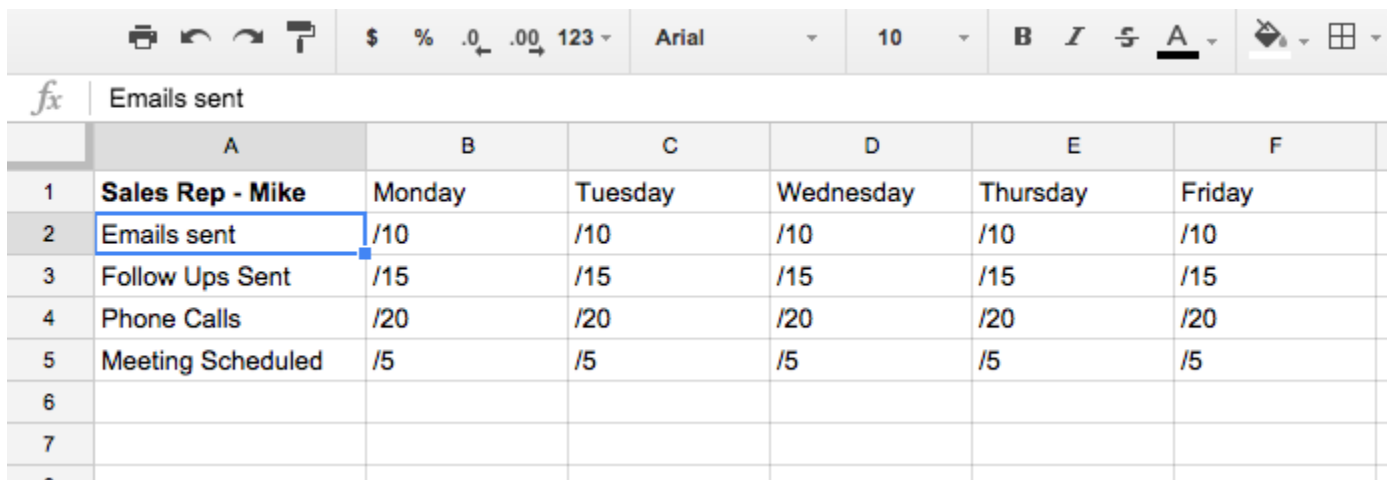
Here are some more examples of small goals sales managers can set to pave the way to the ultimate goal:

- If a rep isn't attending professional development events, set a goal of one per month to start.
- For a rep who struggles with product demonstrations, set a goal of giving a team member a demonstration once a day, then twice a week to sharpen their skills.
- In the event a rep isn't great at moving a conversation to the next phase, set a goal of setting up three demonstrations per week, then four, then one a day.
- Oftentimes sales reps will forget to stay in touch with new customers. Set a goal of touching base with all of your new clients at least once a month, then once every two weeks to keep relationships strong.

Monitoring Goals

It's crucial to understand the importance of goals and set a few for yourself and for others on your team. But this is only half of the equation. Unless you monitor your goals every day or week, you're not going to get to where you want to be.

There are a lot of tools and apps out there for monitoring goals. But as a manager, your best bet might be to simply ask employees to keep an Excel document and touch base with them at the end of the week.



The image shows a screenshot of an Excel spreadsheet. The formula bar at the top contains the text 'fx | Emails sent'. The spreadsheet has a grid with columns labeled A through F and rows numbered 1 through 8. The data is as follows:

	A	B	C	D	E	F
1	Sales Rep - Mike	Monday	Tuesday	Wednesday	Thursday	Friday
2	Emails sent	/10	/10	/10	/10	/10
3	Follow Ups Sent	/15	/15	/15	/15	/15
4	Phone Calls	/20	/20	/20	/20	/20
5	Meeting Scheduled	/5	/5	/5	/5	/5
6						
7						
8						

Every week, have your reps email you their weekly recap. You can now determine if they're making good progress towards their goals, or if they're continuing to struggle. With a smaller, clearer number on their plate, the bigger quota should come closer within reach.

Everyone needs goals, but especially salespeople. Studies tell us we do better when we have a clear set of expectations in front of us and know exactly what is expected. As a manager, understanding the importance of small goals, setting reasonable expectations, and monitoring your rep's progress can make all the difference in the world to the team's success.