



*Achieving radical and sustainable improvement in top line performance*

## ***When Your Reps Miss Quota, Now What?***



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### **The Challenge:**

As I watched David Letterman wear his medallion at the annual Kennedy Center Honor for his unconventional wit and charm as a TV show host, I was reminded of his famous Top Ten lists of goofy ideas.

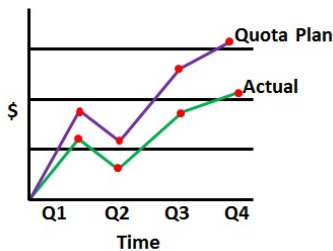
How might Dave answer: What are the top ten excuses for not making your sales quota?

Here is our attempt at the answers:

**10:** I thought I could live on my base salary alone



David Letterman



"Fundamentals lead, financials lag."



"Is it *YOUR* turn to walk the plank?"

and sharpen up my golf game.

9: Our products suck.

8: I don't have enough targeted prospects in my territory.

7: My competitor's headquarters is right in my territory.

6: My prospects are all broke.

5: Upper management is still debating quota. I will be lucky to know what it is by the second quarter.

4: Our prices are too high versus the competition.

3: The economy is really slow here.

2: My prospects are a real pain to sell to.

And the number 1 reason for not making quota is:

1: I plan on winning the mega million jackpot lottery and if that doesn't work I will become a talk show host.

### What to do next?

With 50% of sales reps making their quota, you need to step back and honestly consider the following before playing the blame game. Here are a few tips that CEO's and sales management leadership can do to make sure their sales reps don't fall into a rut.

- **Check your sales engine.** Is there a well understood sales process in place that has been institutionalized and followed by everyone who touches the customer?
- **Is the quota fair?** By fair we mean, both stretching and realistic. Don't fabricate quotas out of thin air based on a mere desire to reach an arbitrary benchmark. An existing product or market and some history over several years makes it easier than trying to set quota with a new product or service in an emerging market. Consider figuring out how long it takes to actually sell one deal from qualified to closed plus time for lead generation. This will help you establish the amount of selling capacity you will need based on deal size, hit rate and sales cycles.
- **Think before playing row boat.** By row boat we mean, letting go of a rep who isn't hitting quota and asking them to publicly "walk the plank" as a way to speed up and motivate the productivity of the entire sales team.
- **Instead of reprimanding, consider offering training.** It may be more cost effective to invest in your employees rather than firing off poor performers and finding new ones which



"Hope is not a strategy."



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can be an expensive process that can take six or more months. Offer them the tools they need to be successful.

- **Patience is a virtue.** Avoid steering by the wake, basing your quota assumptions on past experiences. With new reps, don't expect that they will be bringing best practices with them. Don't say, "I am giving you 6 months or you are out the door." You have to look at the why and that takes time.
- **Take the customers perspective.** Take a sample of your customers, and look through your CRM history and see how many reps they have had in the last 3 years. That will tell you a lot about why half of a companies reps aren't hitting remotely realistic quotas. Between voluntary and involuntary turnover, redrawing of territory maps, changing major account ownership and overhauling the org structure every 18 months, its no wonder it takes so long to ramp up a new rep.
- **Communicate.** The majority of organizations rely on their sales reps to generate their own leads and marketing is not enabling the sales organization with pre-qualified leads. The lines of communication are not open between sales and marketing. The sales reps are simply hung out to dry and marketing is set up to fail as well. This is a common reason why so many sales reps are missing their quota.

### So What?

Failure to make quota continues to plague sales management leadership. The best lesson learned is to be sure that you are tracking the fundamentals of each reps funnel and know before the fact when things are not looking good for the quarter. Having these discussions after the fact is usually too late to impact the next quarter especially with lengthy sales cycles (3-6 months or more).

### Run Quota Maker and Find Out!

If you have any questions or comments, please don't hesitate to reach out to us at 973-720-0020 or [kappainfo@kappaeast.com](mailto:kappainfo@kappaeast.com).

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