



MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 42 Transcript

Announcer (5s):

Welcome to the Maximize business value podcast. This podcast is brought to you by master partners, where our mission is to equip business owners, to maximize business value so they can transition their business on their terms. Our mission was born from the lessons we've learned from over 100 business transactions, which fuels our desire to share our experiences and wisdom so you can succeed. Now, here's your host CEO of mastery partners, Tom Bronson.

Tom Bronson (36s):

Hi, this is Tom Bronson and welcome to maximize business value. A podcast for business owners who are passionate about building long-term sustainable value in their businesses. In this episode, I'd like to welcome our guest, Tom Niesen, CEO of acuity systems. Now I have known Tom for close to 20 years and I've heard him speak dozens of times every time I'm in the audience. When he is speaking, I take tons of notes. I've spent my whole career in sales, but, but I take tons of notes. Cause every time he speaks, I know that he is going to speak wisdom.

Tom Bronson (1m 16s):

Tom is one of those down to earth sales strategy and training professionals who tells it like it is. And you're about to find out. So we're in for a fun ride today. Tom, please introduce yourself

Tom Niesen (1m 31s):

For those of you who don't know me, I've been doing this for 25 years and just a quick overview is I started this 25 years ago and I thought I was going to train salespeople on

how to sell. And the problem I had was if you had four or five salespeople, I'd train them and one or two would be better. And that did not make me look good. Right? So I started looking at people different and I really started analyzing people and not just skillsets, but can actually take a skillset to the street. And then I was able to look at a company and say, look at how do your five salespeople.

Tom Niesen (2m 13s):

I'll only work with one of them, the other four that they, if they're making you money, leave them alone, but they're not making money. I can't help. Right. And then finally I started doing that. And then I found out that if the company itself didn't have the right processes in place, then that good salesperson says I'm out of here. Right? And so I really love working. So when someone calls me and says, Hey, I want to do some sales training. I always found, you know, it doesn't work right. But really who works is really looking at your sales processes, your sales management. I can give a company a quicker ROI by, by fixing or creating or doing something to process and training and interesting time when you, and I've talked about this is we work with a lot of private equity firms that buy companies and they hire us and say, we know the company, we know what a can manufacturer.

Tom Niesen (3m 10s):

Will you take a look at the Salesforce and tell us if next year they can actually sell the stuff. They said that. And I come back with some amazing reports for them and they go, Oh no,

Tom Bronson (3m 23s):

Yeah. It's not. If you can make it, they will sell. Yeah.

Tom Niesen (3m 27s):

Right, right, right, right.

Tom Bronson (3m 30s):

Awesome. Well, you got an amazing background and you've worked with lots and lots of companies. And so, so let's remind everybody why we are here. And before we jump into

sales, let's refresh on this webinar series. I want to remind you that 72% of business owners have no exit strategy at all. And where the 48% of business owners who want to sell their business right now have no exit strategy. That's part of the reason that 83% of attempted transactions never reach the finish line. Just saying that makes me mad as hell.

Tom Bronson (4m 11s):

Our team at mastery partners have a combined 500 successful business transitions. And we're here to help business owners get into that elusive, exclusive 17% that can actually transition their business on their terms. So let's start like this. Think about your own business for a minute. Do you know the value of your business? And if you do, when you think about it, is this how it makes you feel? Or does it make you feel like this? If you're most business owners, that's probably how it should make you feel unless you're focused on building that longterm value.

Tom Bronson (4m 60s):

Now we're going to talk about a lot of things that you can do to improve your business value today. My charge to you is take great notes. Kim has dropped the notes. It was emailed to you in advance, but she's dropped a sheet that you can use to take notes on or do what I do. I've got my legal pad here and I'm going to be taking notes because at the end, I'm going to ask you to pick just the three things, three things that you can start doing today in your business to improve business value. It's going to feel a little bit like we're drinking from a fire hose, but take notes on the things that are burning issues for you in your business.

Tom Bronson (5m 43s):

Because at the end, I'll ask you to, to tell me what the three takeaways are that you plan to put into action immediately in your business. Of course, in this series, we talk about lots of things, but today we're on sales. Now, if you have any questions, as we go along, just put them in the chat and we will get to them at the end. So let's jump in Tom. You're in for a fun ride. Okay. Starting here. What's the deal with number 52? Why do I start with number 52? Of course, the slides are part of a half day workshop that we do here at

mastery on improving business value. We just pulled the slides that are important to us today.

Tom Bronson (6m 25s):

I took them in random order. And so let's start with number 52. Every business should examine its sales structure and in today's environment, I think that every business should re-examine its sales structure. So Tom, here's my first question to you. Is there a difference between pre COVID and post COVID

Tom Niesen (6m 47s):

Sales directors? Yeah, most definitely. And there, there needs to be, you know, before a lot of business owners put up with people, not meeting quota, they put up with people not hitting numbers. They put up with crappy pipelines and always amazed me. I always freaked out when I pre COVID, I'd be in Phoenix, right at a sales conference about the speak. And I talked to the VP of sales and I go, so what are we celebrating? What's our national sales conference. We hit 80% of our goal. I scratch my head and go, why aren't we having this conference in Chicago in February?

Tom Niesen (7m 29s):

You know, it made no sense to me. But if you look at structure of sales department, if I asked you, what is your, what's your sales process? It's amazing how many people will say, well, first we prospect and we qualify. Then we, we demo. Then we do a proposal. Then we close. So just so everyone knows that is not a process. Those are outcomes, but not a process. And if you don't know the process, don't expect your salespeople know the process. I'm for those of you that know have heard of lean manufacturing, right?

Tom Niesen (8m 11s):

I'm a big believer in lean selling. See too often, what happens if you don't have a structure in place you're measuring the wrong thing or giving an example. I, one company I worked with in Covid, they called me and said, we're having terrible closing ratios. We're only closing like 7% of all our demos. And so I started damaged. So there, they want me to train their people on how to close. And I really wanted to look at the

structure, right? So I went through and looked at the structure, what they're doing, interesting.

Tom Niesen (8m 52s):

They were giving their salespeople \$500 per demo. I can do tons of demos for 500 bucks a piece, right? Hey, I know you can't buy anything, but can they give you a demo? You know, I had another company that, you know, they the same thing. And so I examined the structure in here. We had the sales manager going to the sales managers, going to their salespeople going, how many quotes do you do this week? How many quotes you do this week? Because the owner of the company was going to the sales manager, how many quotes we get in this week? So we got all these quotes, right?

Tom Niesen (9m 33s):

Because salespeople are told my boss wants to know if I'm going to do a quote again in front of someone. And they said, look it, I know you're buying from your brother, but kind of coach you anyways. Right? So when we, I think it's God's law when we have one target, right? And we use that as a goal, it becomes ceased to be a good target, right. Be a good goal. That's why, if you have a process and you measure every step, right? How many calls does it make to have a conversation? How many conversations and the make a first appointment who needs to be in that first appointment?

Tom Niesen (10m 13s):

What needs to happen? What about the second appointment? Give you a good example of structure. And I believe it's more important than ever before, but there's a company called Hardy's. We worked with that was interesting. They sold the restaurants. Oh, I bring them up because I'm working harder than ever, because they're basically their customer base went away and they've had a better year than they've ever had. So, and you think about it interesting because of their structure, here's a company that doesn't have an inventory that consent shell, right? They got \$10 million in fresh produce that yesterday, the restaurant shut down, Oh, inventory goes to Hell in five days and yet they didn't lose anything but time for that's another time for a story.

Tom Niesen (11m 3s):

But if you think about the structure we had in place was in the past, salespeople are just knocking on doors and you want to buy, we started measuring, putting stuff in place and into the CRM. And what we discovered is if the salesperson by the third meeting with the shell, walked into the, was able to walk into the cooler, the chef, lifting up his kimono, right? The chances of them closing businesses, 53%, if they never walked into the cooler and give a quote, good chances to do on businesses, 17%. If the salesperson walked into the cooler and met with the owner and not just the chef, the chances of getting the business go up to about 71%, right?

Tom Niesen (11m 50s):

When you have the structure in place and a sales manager, right. And Tom, you're about to go call on this customer. And I go, Tom, how many is this? Your third call? And you go, yes, I go, are you getting into the cooler? Well, I'm going to try, well, let's role play, how you're going to do it. Right? And by the way, if you don't get the cooler, stop calling on them and find some other prompts. So without process and structure, I can't manage it. Right. Don't blame the sales manager structure a process, and then you can't manage. So, and no step further, this means you've got to have a CRM and it's gotta be used, right?

Tom Niesen (12m 33s):

No, if ands or buts, you don't use a CRM. You're fired. The CRM creates all that data in the problem most salespeople have is because you asked me to use a CRM and then you never use the information given to you. So why the hell should I put stuff in there anyways? So don't get all mad at the sales people. If you're not using the data to build a structure and a process to improve a better shot, there I go forever. You know,

Tom Bronson (12m 59s):

So no, I know you and I

Tom Niesen (13m 3s):

Give us one question, you and I could talk for an hour. I guarantee it. I did want to point out I had a client earlier this year that that was paying salespeople, people on activities, right? And it's for making calls, connecting with an email, you know, doing a demo and

all that stuff. And they weren't selling anything and they couldn't understand why. So, so, you know, I've suggested that that perhaps they need to come to you. One of my favorite things that I always tell salespeople, I say, you quote too much, stop quoting so much. A quote is the very first thing that you do right after you close the sale. What do you think about that?

Tom Niesen (13m 43s):

I agree it, our quote is just to confirm what we already agreed on. Yeah.

Tom Bronson (13m 47s):

Yes, exactly. Exactly. So if you're handing out quotes, stop wasting your time, go quote, this stuff that we know that we've already closed. Let's see, let's move on to the next thing. Number 30, a growing company is always, always, always more valuable than a flat or declining business when it comes to the value of that business. So many times, unfortunately, small businesses are flat for many years, so, but then they decide, Hey, we want to grow Tom. Why is it important to have a strategy

Tom Niesen (14m 25s):

For growth? Well, I think, you know, a lot of times we build strategic plans for companies, which is great, but I think you need to have a strategic plan for the sales department that, that, you know, coincides with the overall strategic plan. But if you don't have that strategy for growth, right then you're done, right. I agree with you a flat company, you know, why bother? Right. Typically I only see a flag company when they sit there and say, I'm happy where I'm at. Don't want to do anything different. Boom, it's an unsellable company, right? You got to have, because you got to look at what's changed in our world and was constantly going to change is nonstop change.

Tom Niesen (15m 10s):

So if you don't have a strategic sale plan, you know, as to what, what is going to happen in the foundation to me for a strategic sales plan is having core behaviors, not core values. And so what I mean by that is we have core values, most companies, core values. They're nice words on a wall. You know, I can't tell you this either Tom, you've probably done it, but I go to a company and I might say, so what's your missing

statement? And I get the owner going, I don't know. I got it here somewhere. Hey Susan, do you know what the mission statement is?

Tom Niesen (15m 51s):

You know, you don't have a mission statement, forget it. Right? So I create, I believe core behaviors, not core values. And what I mean by that is if you have a core value of gross right. Or knowledge, that's a wonderful thing. How do you measure it? How you track it, how do you make sure it's alive in your company, putting it on a wall, doesn't do it right? But when you create a behavior and that behavior could be something like one of the things I push hard to in a sales department, because by the way, when the sales department takes hold of the core behaviors, the rest of the company.

Tom Niesen (16m 31s):

So core behavior for growth could be, you must learn something new every week or teach something to somebody every week. Now that's a behavior, not I'm your sales manager. Right? And I walk up to you and I go, so Tom, where'd you learn this week. Alright, Tom, what did you learn this week? And if you're a brand new employee working for me and we say, here's our core behaviors. And as you're walking down the hall, the CFO walks by and say, Hey, Tom, we've learned this week, right? And if you're walking down the hall and the customer shirts and they, Tom, what'd, you learn this week. One of two things happens, right?

Tom Niesen (17m 13s):

Either you sit there at the end of the first couple of weeks and you tell your, your spouse. I hated here. Everybody keeps pushing me to learn something, or I love it here. All right. A culture is loved or hated. If you have people just trading dollars for hours, you don't have a culture. Right? So to me, with me, there's gotta be a sales strategy, a sales culture of growth. And the reason I say, when it's, when it takes a hold in the sales department, it it'll be forced on other departments. But if, and I've seen this and you have to, where you have, we have a sales strategy and sales culture or not sales.

Tom Niesen (17m 54s):

We have a culture. We have strategy. We have this. Well, what about sales? Well, we, we don't want to involve them to get pissed off. When that happens, you don't have a culture. You don't have a strategy. You don't have, you don't have anything. So if it, if you make it alive in the sales department, the sales people will make sure it is alive. And the rest of the markets, you leave it out. It's trouble. Yeah.

Tom Bronson (18m 18s):

The, I love that. I asked the same question. Tell me about your mission statement. Tell me about your core values. And I hadn't thought about it that way, but if you, if you have to look it up, if you ha, if, if you've written core values, you've written a mission statement and you have to look it up every time you want to recite it, then guess what? You don't actually have core values or a mission statement. That's a, that is so very important. And, and we, we help a lot of our clients kind of develop what those core values are. So you talked about culture. We're going to get back to that in a second, but is there a, what is the difference between what we would call a players and the rest of the sales team?

Tom Niesen (19m 6s):

Yeah, that's a, that's an easy one. We don't have enough time. So if you really, you really look at the difference between a players, B players and C players. And I can describe with one word, a players take responsibility, right? And what I mean by that is they don't make excuses because you think, think about it this way. If I asked the salesperson, how come you lost the sale? And I hear, well, the competition is doled it out from under me with the cheaper price, right? Typically that's an excuse.

Tom Niesen (19m 46s):

And the sales manager takes that excuse and puts it in his pocket, holds onto it. Doesn't like it, but still takes it. And by the way, once you listened to the, you gave it credibility. Right? Then the VP of sales goes to the sales manager. How come we're having problems in that area? Oh, well the competitions is stealing out cheaper price, VP of sales. Doesn't like, that puts that in his pocket. And it goes up the chain till it goes enough of them to go up the chain in the CEO. And it comes back down in the form of a

hatchet. So it all depends on who ducks. Right. But yeah, excuse making. So I would just thought of this.

Tom Niesen (20m 27s):

If I asked the salesperson, how come you lost the sale? And I heard, cause I let the competition see that I've gone through with a cheaper price. There was only one word difference, right? Because I, because I let it, I let him see a lot. If we would share, therefore I can change for, for, I need to learn something new. Therefore I need to figure out a strategy. Therefore, I take an action and I must change. The other person said competitions. They'll adopt them under me with the cheaper price. Something else must change. You need to change our prices. You need to change who I'm going after, but I don't need to change a players. Don't make excuses. And you hear them all the time.

Tom Niesen (21m 8s):

And I'm going to give you an example of a, I used to say this all the time. And then she made me stop by the young lady working for me. And I used to say, talk about excuses. And I used to say, look at, if I had a young lady working for me that gave birth, took a month off and gave birth and came back and I go, Hey, how come last month was so bad? She'd look at me and go, well, I gave birth, but I took a couple of weeks off. That would be an excuse. I'd probably accept it, but it's an excuse. Or you always used to say that. And I don't. And the only reason I use that stories, cause I had someone working for me, hired her out of college.

Tom Niesen (21m 54s):

As an intern, worked for me for 10 years in her fifth year, she got married and was having a baby. And she took off the month of August off to give birth and start actually pick August, August. I think August, September, all those were her two best months she ever had. And she was off. Right? Why? Cause she knew as an A-player. She said, I gotta take these months off. Therefore I got to fill my pipeline up now, get it really full. So when I take these months off, I still have income coming in. She was straight commission, right?

Tom Niesen (22m 36s):

So to me, it's really hard to narrow down, listen to an A-player, listen to them. Are they taking responsibility? Are they making you take responsibility? And when you start listening to that and do they change, you know, real quick people ask me all the time, how do you prospect in today's economy? Right? What's going on? And I go, okay, the time you know this, right? When I started in sales, I was told by my boss, Hey look it, you gotta make 10 calls to get one conversation. You need 10 conversations to get one appointment. You need 10 appointments to get one demo. You need 10 demos to get one quote, one quote in 10 quotes to get one sale.

Tom Niesen (23m 19s):

10, 10, 10. You do that. And the numbers, well just start with nos. Pre COVID that worked post COVID. Those numbers have changed. You don't need 10 calls to get one conversation. You need about 50 calls to get one conversation and you don't need 10 conversations to get one appointment. You probably need about 30 conversations. We want to play. Those numbers have changed. A players, realize I gotta change my numbers and I'm going to do something different as opposed to, well, I made my 10 calls and the one's talking now. So

Tom Bronson (23m 55s):

Personal responsibility is that it, they would take responsibility for themselves. That's the difference. So there you go. There's the trick. If you want to know if you've got a players, do they take responsibility for themselves? So on the other side of the coin, a lot of times salespeople fail. So why do they fail and what can be done about it?

Tom Niesen (24m 15s):

Yeah. That's you know, so first of all, don't always blame the salespeople, right? For failure. First thing, I'd blame is the sales management and or the company. Right? First thing I'm going to look at is there, if you don't have a process in place, if you don't have the structure in place, don't blame. And if you're not measuring them and hold them accountable, don't blame them. You know, real quick overview of management or leadership, by the way, great quote. I love if you've never had Colin Powell book on leadership, read it, but it gives you guys a quote and he goes, we all know general Colin Powell.

Tom Niesen (24m 58s):

He said interesting in the army, the minute you entered the army, we started training you to be a leader. But inside companies, we make you a manager and then think about training. Right? Interesting thing is one of his observations. But if, if I was to really think about process, right? If you don't have it, you're in trouble. In the four roles of a leader is supervisor, trainer, coach, mentor, right?

Tom Niesen (25m 39s):

So a supervisor, if we think about, if you're going to be a supervisor, real simple distinction, supervisor is very high in direction and very low in support. I have to give you a lot of direction. This is where you go. This is when you do it, this and how you do it. Don't do it. Different trainer is very high in direction in high end support. Hey, that was pretty good. Now try it this way. A coach high end support. No direction, right? Because guess what? It's Sunday. It's game day. If you ain't trained, get off my field. Right? A good coach is there to pull a hundred percent out of people.

Tom Niesen (26m 21s):

And it's funny. I talked to a lot of sales managers and I'm a good coach. I always go. No, you're not. You're a good trainer, right? You're not coaching. You're training a good coach to sit there and say to somebody. So why do you think you didn't make the sale? I don't know. Why do you think I do? If I answered that question, I became a trainer, right? I sit them through all this. What I would have done. You're not coaching a good coach says you've been, you've been with me for over a year. What do you think I'd say? Right? Because when I can pull it out of his head or her head they'll change and they'll do it. But if it keeps coming out of my mouth, they ain't gonna do it different. So you gotta be a good coach and then good mentor is no direction, no support.

Tom Niesen (27m 4s):

Right? We all had a good mentor that was able to say one word to you and your brain would ah, right. Good relationship. But example of that is a company in Las Vegas. I work with and we're walking down the hallway and one of the sales pers person, top one, Ray had good coat, a mentoring relationship with Mike, Mike Mandra and Ray had a

wrinkled golf shirt. And Michael just walked by his manager and just said, Hey, Ray morning, and you're not gonna make any calls today and just kept walking. Right. And you heard Ray go? What, what do you mean? I mean, well, yeah, I probably should change my shirt.

Tom Niesen (27m 48s):

Right? No support, no direction. Just had that relationship. We don't all have it. The reason I bring those up is you can't coach somebody and you can't train somebody unless you're a great supervisor first because what's a great supervisor. They're great at data and process, a good supervisor understands data and a process, right? This is when you do it, how to do it, where to do it. And if you've never done that, you can't train me and you can't coach. I mean, half of the half of the people, I see companies that say they have a process or something, it would be like Sunday getting on the Dallas Cowboys field.

Tom Niesen (28m 31s):

And I'm your coach. And everybody goes, why don't we do a, I don't know, go have fun. One of these white lines.

Tom Bronson (28m 37s):

So that was already in, that would already happen during the season this year.

Tom Niesen (28m 41s):

Yeah, exactly. Go have a good time. But I think, you know, if you really think about it, if we don't have process in place and we don't have management managing to a process, don't get all mad at the salespeople. Right? Get mad at yourself, put that in place. Then if the salespeople aren't doing it, then you can get rid of them and get some money. But don't blame the sales people because they're not closing sales. If you don't know how to. So,

Tom Bronson (29m 13s):

So sort of a related question here, Tom, a lot of times people say, you know, people are natural, born salespeople right there. They're just born naturally into it and they can do it.

And so I guess you would go look for natural born salespeople. So you've been in sales, sales and sales training, basically your whole life is sales, a learned behavior or are you born with it?

Tom Niesen (29m 44s):

I'd probably get people argue with me. It's a learned behavior. You're not born with it. I was told about my life. I'd be a great salesperson. My dad was a salesperson. He owned a printing company. By the way, Tom will tell you right now don't buy a printing company, but worst and best in the world. But he owned a printing company. And when I was always that guy that got along with everybody, I can make friends with everybody, right? I'd come home from college. They might have a party. And by the time I'm done, everybody knew me. I knew everybody. And my dad, mom used to say, you'll be a great Salesforce. And so I didn't know what else to do. I got a, I had a degree in psychology.

Tom Niesen (30m 26s):

I got to school. I became a salesperson. And guess what? I was really, really, really good at making friends with people never. I was starving to death. I couldn't make a dollar to save my life. My boss thought I was the greatest thing in the world because I walked to meet J Walter Thompson in Chicago. One of the top print buyers in the world, walked in there and met the head print buyer. Right? I mean I'm at the reception desk. And I said, yeah, bill and she's this man, bill Tom Neeson signed him up. My sales manager in LA. Oh my God. We've never gotten in here. This is amazing. Right?

Tom Niesen (31m 6s):

Walked in, had a meeting. I never did business with J Walter Thompson. I could just imagine the head buyer sitting there when I'm on the way up the elevator, Hey, Neeson's coming in. Maybe he's got donuts. I kind of, I mean, I was a terrible salesperson. I starved to death. I didn't, I mean, I was scared to close somebody. I mean, it took off, it took years of learning to get to the point where I had to say to my dog before I left for morning, will you love me? If I don't make a sale, had to say to my wife, Hey, can I get a kiss tonight?

Tom Niesen (31m 47s):

If I don't make a sale, will you still love me? My kids, will you love me? If I come home without any money they all said, yes, then I could not really care. What the hell? The prospects that thought about me. That's that's I've truly believe salespeople are made not born.

Tom Bronson (32m 7s):

I, I agree with you. You know, I, I, same things were said about me growing up, but you know, it's a shame that most some are now, but most colleges don't even have a curriculum in sales. Right. And sales is like, anything else? It's a discipline. It is a, it is something that you can learn. It is a process. Just like everything else in the world is a process. It's a shame that there aren't more resources kind of growing up. And we just hear that and we have to fail our way into success eventually by figuring out what we did wrong. Let's, let's back over into culture again.

Tom Bronson (32m 49s):

You know, we hear tons of stuff about culture. I want to drive this point home. The artists already sort of made it, but I want to drive this point home. What are your thoughts about culture and the sales department?

Tom Niesen (33m 2s):

Ah, good culture to me is that this is so important. This is, this is the foundation of a sales department. And by the way, this culture is not creating a nice place for people to work. It's creating a place where people can grow and then grow the company. And it always bugs me. When I walk into a place, they tell me I've got a great culture because they have a ballroom in the lunch room, a pool table, the lunch room, you know, it doesn't make a good culture. Culture truly is. It's either loved or hated. You know, it, it overlaps what we've been talking about.

Tom Niesen (33m 44s):

Overlaps with process. If you think about this, I'm a sales person that can work for you within two weeks. You've trained me everything about this company. I know how things are made. I know how long it takes to make something. I know how long it Sheriff's department takes. I know everything about the company so much so that I've worked

for you for now a couple of months. And I can walk into the shipping department and ask the shipping shipping manager. Is that going to ship today? Because I know it's a two week lead time, right? Because I know the process yet the company itself has no concept what the process of the sales department.

Tom Niesen (34m 27s):

And so that's why that has to be built. So think about it. We now, we, now everybody in the company understands the sales process understands that a salesperson is supposed to get two appointments a week understands that they're supposed to have so many calls a day shipping department. I walk into the shipping price. They're going to ship this week. He can then turn around. Which yesterday, by the way, did you get your second appointment this week, right? Or you think about it another way everybody understands our 30-second commercial. These are the words that come out of your mouth. When someone says, what do you do? Right? We've created it. We have, it's amazing.

Tom Niesen (35m 7s):

We have a marketing department spends tons of money creating. This is who we are. Then I have salespeople. So who are you? And they don't say anything close to what the marketing department is greed. Right? So if we created a 30-second commercial in everybody in the company knows it, right? And you're a brand new salesperson. And by the way, this is vitally important. Because every time you meet somebody brand new that 30-second commercial, it depends whether you're getting in or not. Right? So you think about that 30-second commercial you're walking down the hallway. Once again, the head of the art department says, Hey, what's your 30-second commercial, right?

Tom Niesen (35m 54s):

The head of the shipping department, your brand new employee says, give me your 36 good place to practice. Right. That happens to you 10 times a day. One of two things happens. You're going to learn at 30-second commercial and be great at it within a month, or you're going to quit one of the two. Right? And you can't. So you can't build the process, the culture without process and everybody buying into it. Yeah.

Tom Bronson (36m 21s):

Yeah. Culture. Many people think a culture is that pool table or an event, right? We have a cookout, you know, on Friday or whatever culture is a lifestyle. I, someone said this to me recently. And the more I think about it, the more I like this thought process it's culture is the way the company acts. When the CEO disappears for two weeks. Someone mentioned that to me the other day, you can learn a lot about the culture, the real culture of a business when the leadership has gone. Right? And so, so if you want to know what kind of culture you have step away for a few weeks, and then you might be able to, to find out.

Tom Bronson (37m 1s):

So before we leave culture and in this interesting time, are there w what should a sales leader be willing to tolerate at this point, maybe in, in today's environment, but, but even overall, what should a sales leader tolerate?

Tom Niesen (37m 22s):

Oh, that's a good one. You know, to go back on culture is I always tell how good your culture is by what they are willing to tolerate. You know, to me, once you have a process, once you have numbers, once you understand those numbers and what has to happen, you don't tolerate anything. But those things, right? I mean, the key is, is if going back to the supervisor mode and what have you, right? And here's, here's some times where we have fault is Tom's and work with me for four or five years. One of my top guys, right.

Tom Niesen (38m 3s):

And he's him and I have a coaching mentor relationship. I'm his boss, and we're really good. And he's hit numbers. He's followed the process and you know, great job, Tom goes into a slump, right? Tom goes into a slump for many, many different reasons, maybe brand new product, maybe whatever. But he goes into a slump. The worst thing you can do, right? For your culture, worst thing you can do for Tom is sit there and say, well, Tom's one of my best guys. I'll leave him alone. He'll get back to it. As the worst thing you could do. Cause right now Tom needs a supervisor. Your company needs Tom to have a supervisor and your culture needs it, right?

Tom Niesen (38m 47s):

So you don't tolerate Tom going into a slump. You sit down with Tom and say, Tom, here's what we're going to do. I need you to make so many calls a day. How do you need to have so many conversations a day? I need, I need you to send out so many emails a day. So many emails a day. And at the end of her day, I want you to walk in my office and tell me how many you did. Now, by the way, leader, you're going to have to deal with something that every leader deals with. And every other department for sales, you're going to get something called pushback, right? And this was one time is going to sit there and say, I shouldn't have to do this crap. I've been here five years. I've devoted a good leader.

Tom Niesen (39m 28s):

Then now I can switch over to coach mode for a minute and say, Hey, Tom, you're right. You're my best guy. And I alleged, I ain't going to let you fail. So the quicker we get back on track, the quicker we go have a beer, but until then you and I are going to bust our button, make sure it happens, deal with it. And that's what has to happen. I love that.

Tom Bronson (39m 50s):

I love that. Let's let's move on here and talk about KPIs. I actually, I saw a question there from, from Michael Visintine team KPIs are a biggie when it comes to maximizing business value. And you know, if you don't measure it, you can't manage it. And you know, KPIs are about distilling information into insightful metrics that can help you stay on top of things. We suggest that every business not only have KPIs at the top of the organization, but then it rolled downhill departmental metrics and dial it all the way down to the individual. But then you've got to relentlessly track it and hold people and managers accountable to it.

Tom Bronson (40m 35s):

Because remember, if you don't manage it, you can't improve it. So Tom, what kinds of KPIs should every CEO be looking for in their sales department?

Tom Niesen (40m 50s):

Yeah. So, and Kocide with that, that means you gotta have a good CRM and you got to make people use it. Otherwise don't bother, right? There's some really bad CRMs out there that don't help salespeople and going back to KPIs. Most salespeople hate CRM. Why? Because we never take that data and use it to help them show. If you have KPIs, you're just measuring. It's just for the sake of it. How do we take those KPIs back to the sales and look at here's Tom's numbers. And this is what he does. Here's your numbers and where you're at. Let's sit down and do a Tom goes because he's doing this more than you're doing, right.

Tom Niesen (41m 31s):

It goes back to your point of quotes. You know, Tom's close ratio is 40%. Your close ratio is 20%. Is it the number of quotes you're doing? Or are you a bad closer? It might be. I'm doing too many quotes, right? So to me, you're, you should be measuring every step of the way, right? How many, how many conversations, how many qualified conversations are you having? And that could be via LinkedIn, you know, cold calling tough on today's world, but in today's world with all we have, we shouldn't be doing cold calling. It should be warm call. I can, I can go to sales navigator and get myself a lead of people that I can hold a call.

Tom Niesen (42m 15s):

So you've got to know how to use a couple of things. You've got to know how to do digital prospecting. You gotta know how to use the social media and do social media prospecting. You know, to me, if you're not using social media prospecting, when you're in trouble in today's world, there's gotta be, you gotta be doing that. You got to be good at the CRM. You gotta be good at video. I always tell people we get on a call and, and it was just on one. Recently I got on this call with this company and all the salespeople were blank and the president and the manager, and I said, okay, we're going to stop the call until you all go buy cameras.

Tom Niesen (43m 0s):

We're stopping your car. Cause if you don't know how to hold a meeting via zoom, right. You're in trouble. So to me that I think those are some things that I started measuring. Now, how many zoom calls are you having? Right. Because I'd much rather as a

salesperson when someone says, well, we can't meet because the company's got a no meeting policy, instead of saying, okay, let's get on the phone, let's get on a zoom call. Right? So you really got to measure everything that makes a sale happen, right? And it's how many calls or how many conversations, how many emails, how many returns on those emails?

Tom Niesen (43m 44s):

My problem is you've got to, to me, you got to prospecting is an art form and it's gotta be more and more of an art form. So give you an example, what I do and I try to teach salespeople. First thing you, snail mail. My mailbox is empty. My email box is full of crap on my mailbox, right? So learn how to send out a piece of mail. So every day you should be hand addressing five envelopes and sending out a piece of mail. And the next week, the five envelopes you send today, you're going to do five phone calls, leaving five voicemails, and then you're going to follow up leaving five emails.

Tom Niesen (44m 31s):

Okay? So you're going to, I'm going to attack you three different times in one week, but it's gotta be handed dressed, right? Might as well do your own marketing. Because by the way, I have a 30 step rule and you guys, whatever you do personally, is what you'll accept from month. So I have a 30 step rule as 30 steps from my mailbox. My garbage can. Now I go to mailbox. I take out my mail and guess what? I started going through it. And the ones that are advertising known advertising ones, don't make it past the trash game. This that's my 30 step rule. Doesn't get open handed. Rest ones get open, right?

Tom Niesen (45m 12s):

The problem is we do hand address and then you put a business lettering right now. I ain't going to read, I ain't going to read a business letter anymore than I'm going to read your email business garbage. So you've got to change it. Right? You got to make it different. You got to set yourself apart, forget everything else, set yourself apart. So this is one of the things I do. You guys might remember these things.

Tom Bronson (45m 39s):

Oh yeah, yeah. The phone messages.

Tom Niesen (45m 42s):

Yeah. I remember some, I think all of us remember this. When we got back from lunch, old lady at the front desk and you bought four or five of these pink slips that so-and-so called you. Right? So I took the, you're going to still buy these at office Depot, take this ream of pink paper. Right. And I copy this with the message. The message is, would love to share a cup of coffee with, you know, you're busy. So I have a cup on me and I'll call you next week. And those are hand addressed. By the way, I get a single pack of coffee. And I put that in the envelope, right?

Tom Niesen (46m 22s):

So this comes to them. I then leave a voicemail next to you say, Hey, Tom, Tom Niesen. I'm the guy that sent you a cup of coffee, just with touching base. Then I email you, Hey, Tom just left you a voicemail. I'm going to get you a cup of coffee. Want to know if you ever have a sales problem? Right. And I'm going to go, no, don't bother me or yeah, but you should talk to my VP of whatever. So you got to make a connection and you can't, you can't do it. The old fashioned way. You snail it. I use this by the way, I actually have these made up for my elephants. I actually wrapped these in Brown paper and send these two elephants.

Tom Bronson (47m 4s):

Well, I don't know whether would be pissed or not. I don't know that I've ever gotten a cup of coffee from you, but I always take your phone calls before we run out of time here. One of the things I also tell folks to do in their businesses is to eliminate the unprofitable. But that assumes then that, you know, what is profitable on what's

Tom Niesen (47m 30s):

Unprofitable. And when I say eliminate the unprofitable, where are you making your money? Who is making you money? That includes salespeople, products, customers, if you will so important to be able to identify that if you don't have a system in place to be able to know of all of those things, all those components what's profitable and what's non-profitable, then you need to do that. Because then I asked me to go and eliminate it. We actually touched on this a little bit earlier in the call. And I think this may be our last

question, but I think it's possible to drive the wrong behaviors with sales compensation. So Tom, is there a magic bullet sales compensation model that every company should use?

Tom Niesen (48m 16s):

I dunno, magic, but there's certainly as a bullet, I use sales comp too often. We're paying salespeople on volume on one component, right? And when we're doing that, we're actually training salespeople to stop hunting and start being account managers, right? Because if you're going to be 10% of all the sales I made, I started making, I get customers. I don't have time to go hunt new stuff, plus I don't want to cause I'm making 10% and all the stuff I've already brought in. So to me, there is a couple of things you should always look at sales comp, tree ways, failed volume, profitability, and core core behaviors and behaviors.

Tom Niesen (48m 60s):

So sales about. So if you normally pay someone 10%, you're not paying three and a third for total sales volume, right? So sold a hundred thousand dollars this month, you get three and a third percent, then the other three and a third is that what you sold is that our profit level, if you had to drop price to get the deal, well, then we both get hurt. Not just you upbeat. So you lose a three and a third. So if you're selling at a proper level high, and if you had to sell somebody lower profit, lower someone at a higher profit level, there's a lot of ways to work that right. Work with the company itself benefits. And they've realized that we sell somebody that's got 20 seats or left 20 or less employees that make no money.

Tom Niesen (49m 45s):

So I don't pay no commission on it. So you can go sell them and make them look so profitable. I know where to put profitability. And then lastly, it's core values and core behaviors, right? What do you want me to do on a daily basis? Right? And so the reason we get a roller coaster activity is we're, we're not measuring what it takes and we're not paying you on what it takes to make sales. So on in our world. Let's just say, if you have eight appointments a month, right? With this size of an account that drives our output sales, right? So that's, we're going to create that, make that one of them.

Tom Niesen (50m 27s):

So now if you have seven appointments in the last week of the month and you don't hit your number, you don't get an eighth appointment, you lose a third of your commission, right? You can also have core behaviors. Do you support our core values? If not, you lose a 30 year commission. And here's the reason think of this way. If you have a three month sell cycle, you've got 30% close ratio. You're supposed to do a hundred thousand dollars a month in business, three months, sell cycle three months, a 30% close ratio, as opposed to a hundred thousand dollars. And it's January, right? If you don't have in the top of your funnel right now, around \$300,000, right?

Tom Niesen (51m 13s):

Right. Or run three months from now, January, January, February, March, March will be bad. You will have a bad March. She right now a sales manager really can't affect. What's going to happen today. Hey, we closed some things quicker, but what he's really affecting is what's going to happen in March. So if I'm paying you on doing the activities that you need to do to make the March a good month, you'll have less rollercoaster activity, right? Because I'm still doing those numbers. And I've been with many of my clients, presidents and CEOs, when we've been sitting there having lunch or even in their office and their top sales person comes in and says, we've got a problem with what my paycheck's mission.

Tom Niesen (51m 57s):

\$5,000. No, it's not. This is how we're paying you. This is what you're supposed to be doing. You could have made that one last appointment. It will happen one time. Every time you change this with one person, one person will touch them. And if you let them go forget about the culture, forget about everything and get right. Yeah.

Tom Bronson (52m 20s):

Once you've set that precedent, trust me, everybody in the sales organization is going to know it in a nanosecond. So it's almost like you, you might as well grab your phone and go attention attention, please. I just let Tom off the hook. Everybody needs to know that. Now see ya

Tom Niesen (52m 45s):

On

Tom Bronson (52m 45s):

The loud speaker. Put it on the loud speaker. It's always fun having you around. Thanks for joining and sharing your wisdom. Remind our folks how you can, how they can get in touch with you.

Tom Niesen (52m 58s):

Oh, easy email. Just tom@salesmadeeasy.com.

Tom Bronson (53m 4s):

I can't thank you enough for being our guests today. That's Tom Niesen. You can find him at tom@salesmadeeasy.com. You can find him on LinkedIn. And of course you can always reach out to me. And I will be happy to make a warm introduction to my good friend. This is the maximize business value podcast, Where we give practical advice to business owners on how to build long-term sustainable value in your business. Be sure to tune in each week and follow us wherever you found this podcast and be sure to comment, love comments, and respond to all of them.

Tom Bronson (53m 44s):

So until next time I'm Tom Bronson reminding you that it is important to build a great sales strategy while you maximize business value

Announcer (53m 58s):

Thank you for tuning into the maximize business value podcast with Tom Bronson, this podcast is brought to you by mastery partners, where our mission is to equip business owners to maximize business value so they can transition on their terms. Learn more on how to build long-term sustainable business value and get free value building tools by visiting our website, www.masterypartners.com that's master with a Y mastery partners.com. Check it out.

Tom Bronson (54m 27s):

<inaudible> that was perfect. I wouldn't make any changes on that.