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KEYS FOR EFFECTIVE

SALES REPORTS

Watch your company grow with these effective tips for sales reports that guide and influence behavior

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5 KEYS FOR EFFECTIVE SALES REPORTS

Salespeople, like all humans, are affected by both logic and emotion. Without effective reports, sales performance relies almost exclusively on internal motivation, which takes away the power to guide and influence behavior. Here are five keys for creating effective sales reports.

01

The report needs to be as current as possible, and ideally through the previous week's data. Many companies rely on accounting system reports, but they are notoriously old news by the time the books are reconciled and the invoice data is available. Having a system that shows actual to budget for the previous week/month/quarter/year gives everyone current information that can be used to adjust course. Setting up this report involves tracking and displaying the count and total dollar amount of new potential jobs ("Leads" or "Opportunities"), ordered jobs, and invoiced jobs for the period.

02

The second key is to show both short and long term comparisons for each salesperson. How did last week compare to the same week in the prior year? How did it compare to budget? How did it compare to the average week y-t-d? How did it compare to the best week ever for that salesperson? By comparing data to other data that is already understood, everyone can get context for understanding and making an evaluation of the current results. If I only opened 6 new jobs last week, but I opened 19 the same week a year ago, something should be investigated. If the month shows the same downward trend, there is cause for alarm and an action plan.

03

The third key to effective sales reports is to show summary data, but to also include the details. Some personalities don't want to see details, but some do.

This also builds trust that the company calculations and data sources are being accurately used, which is important to those whose income depends on that data. It can also show anomalies and help support the summary data. Why did I have such a great sales order week last year compared to the same week this year? Oh, I had that monster job that was a once-a-year kind of deal.

04

The purpose of reports is not only to calculate and track, but more importantly to motivate and affect behavior. The forth key is to take the time to create an easy to understand and simple presentation of how the data supports the income goals of the salesperson, as well as progress toward any incentives. Busy salespeople won't take the time to draw conclusions and make summary charts, or they will resent having to do it. Simple charts showing progress to budget, the extra income to be made by hitting 10% over budget, or other items of meaning to the salesperson should be included.

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The final key is to find ways to make the reports motivational, without creating inter-company negative competition. "You hit your sales targets last week, and the team average was 20% above target." Who wants to be the lowest performer on the team? Publicize performance company-wide when appropriate—"John had a stellar week, doubling his output from the same week last year, and being on pace to shatter his new jobs created number by 50%." Personalize the outcome of results where possible—"If you continue your current pace, you will make enough money to buy that high-end mountain bike you have been dreaming about." Money can be sterile—dreams and hobbies energize. Put a picture of the bike on a target, then graph the extra performance by coloring the percentage of the bike "earned" by exceeding targets. Finally, compare performance to average as well as exceptional industry performance. Salespeople don't know what the high and low ceiling levels might be, and being able to put their performance into context can encourage as well as call them to higher levels.

So, keep reports current, comparative, summarized, easy to understand, and motivational, and watch the company sales increase.

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