



The 'Or What?' Question

Examining the four levels of sales management

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Recently, a sales manager asked me an interesting question: “What do I do when my top producer simply refuses to follow our new prospecting process?” It is a common problem and it brings us to what I call the “Or What?” question. You see, whenever you tell salespeople to change their behavior, they are thinking (even if they do not say it out loud) “Or what? What are you going to do about it if I don’t?”

Here is the thing: There are four distinct levels of control available to sales managers and they should be used in a specific order. Let me explain.

■ **Level One — Authority and Respect:** This is where you should start, and it is more powerful than most managers realize. When you have earned your team’s respect through your expertise and leadership, many behavioral changes can happen through simple influence. “Based on my experience, this new approach will improve your results” can be surprisingly effective when it comes from a leader the team trusts. In other words, at this level, you are selling behavioral change to your people. They do it because you want them to do it.

But here is the catch — you need a clear answer to the “Or what?” question, even at this level. You do not have to use it proactively, but you have to have it ready to use if you are challenged. The consequence here is primarily the loss of your good opinion and support. Do not underestimate this. In sales, your future opportunities often depend on your manager’s recommendations and backing. I once worked with a sales organization where the top performer had amazing numbers but could not get promoted because his past managers would not endorse him. His disregard for their guidance had cost him tens of thousands in potential earnings and a different career path that he very much wanted.

■ **Level Two — Activity Management:** Let’s say you have a salesperson who is not buying in through respect alone. The next step is implementing specific activity metrics. For instance, if you need more focus on new accounts, you might require tracking of daily prospecting calls. Or, if you are trying to emphasize the investigation phase of the buyer’s journey, you might track discovery meetings that include technical resources.

The beauty of activity management is that it creates accountability without feeling punitive. The “Or what?” here is straightforward: fail to hit the metrics and you will find yourself in daily coaching sessions, reviewing call logs and having documented performance discussions. I recently saw a manager turn a struggling rep around by implementing simple



tracking of the number of C-level conversations per week. Within two months, not only were the activities up, but the rep’s pipeline had doubled.

■ **Level Three — Compensation Adjustments:** This is where things get serious, and I have seen too many managers jump straight to this level — usually with poor results. Changing compensation should be your third option, not your first. You might adjust territory assignments, modify commission structures or implement specific bonuses for desired behaviors.

The “Or what?” is obvious here: do not adapt, earn less money. But be careful. I once saw a company adjust its compensation plan to drive new account acquisition, only to watch its account retention plummet as its best relationship managers chased new business instead of maintaining existing accounts. They had to do a midyear compensation adjustment to fix the problem, which created even more chaos. One of the worst things you can do with salespeople is constantly mess with their money; therefore, any compensation change should be something you are willing to commit to for a few years, not a few weeks or months.

Another company I worked with tried to use compensation to force adoption of its new CRM system, cutting commission rates for deals not properly documented in the system. The company’s top performers started looking for new jobs and their mid-tier performers began entering fake data just to check the boxes. As I have noted before, CRM adoption can be made relatively easy and painless through effective management and training. Remember, compensation changes are like surgery — necessary sometimes, but not your first treatment option.

■ **Level Four — Direct Mandate:** This is your nuclear option. “This is no longer optional. This is how we’re doing it.” Simple, direct and usually a sign that you have bigger problems than just the behavior you are trying to change.

The “Or what?” here is crystal clear: comply or face progressive discipline, up to and including termination. If you are at this point, you are probably dealing with either a critical compliance issue or a complete breakdown in the manager/employee relationship.

I recently consulted with a company that had to take this approach with its entire sales team regarding a new pricing structure. The results were not pretty — the company lost three reps and had to spend six months rebuilding its pipeline.

Here is the key point: Many sales managers start at level three or four, jumping straight to compensation changes or mandates. This is a mistake. Start with influence through earned respect. If needed, move to activity management. Use compensation changes sparingly and strategically. Save direct mandates for true emergencies or when all else has failed.

Remember, at each level, you must have a clear answer to the “Or what?” question before you start. Your salespeople will test you — maybe not explicitly, but they will probe to see if you are serious about the change you are requesting. Having

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your progression of consequences clearly thought out in advance is not just good management — it is survival.

One final thought: The best sales managers rarely need to go past level two. If you find yourself frequently resorting to compensation changes or mandates, it might be time to look at your hiring process or your own leadership style, because in sales management — like in sales itself — the best solutions usually do not require force. I worked with one sales

manager who had not needed to make a single compensation adjustment in five years. His secret? He hired well, led by example and had built such strong relationships with his team that his influence alone was usually enough to drive change. That is not just good management — that is sales leadership at its finest. ■

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